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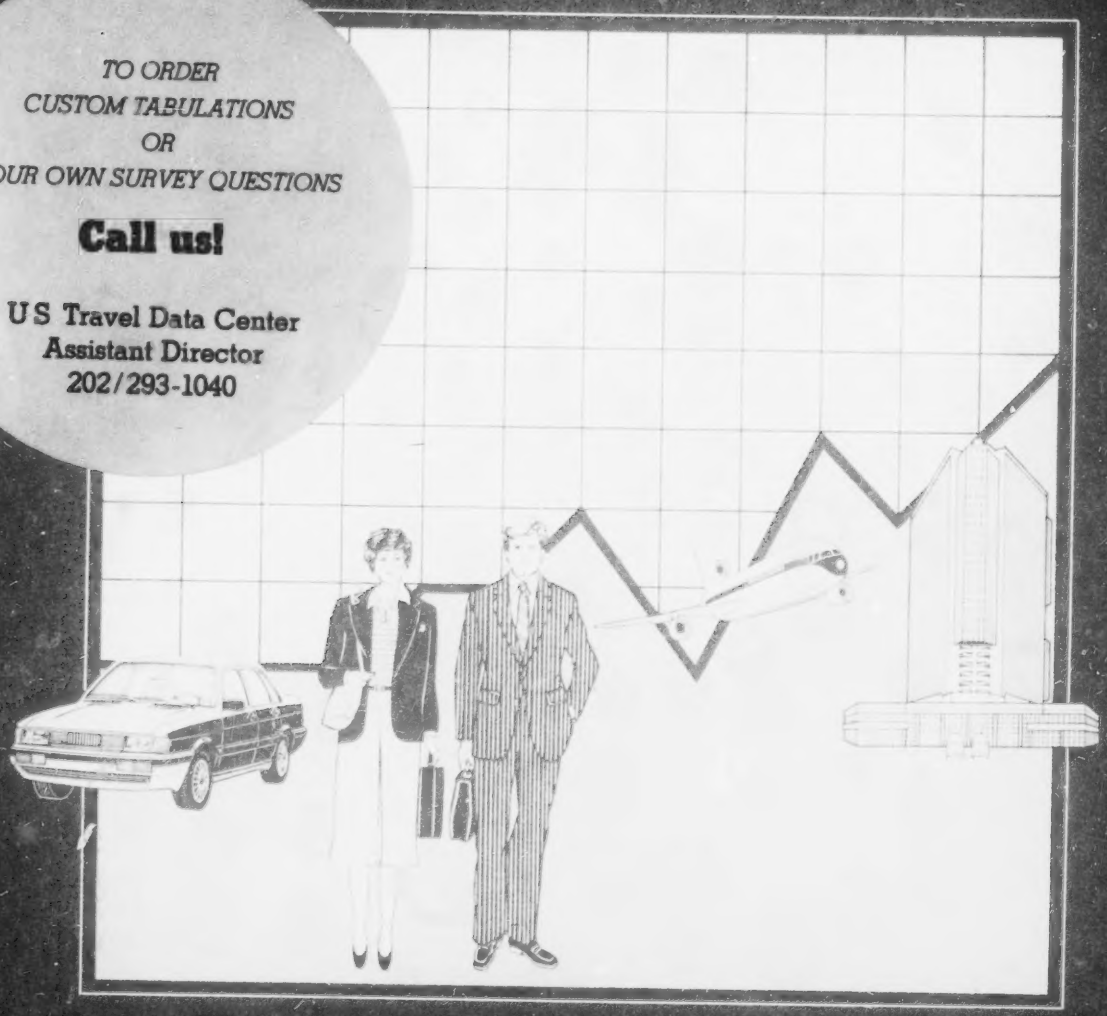

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THE US TRAVEL DATA CENTER IS AN AFFILIATE OF THE TRAVEL INDUSTRY ASSOCIATION OF AMERICA

Murdoch Magazines

Murdoch Magazines is the magazine publishing division of News America Publishing, Inc. It publishes 14 newsletters, magazines and directories serving the travel and aviation business markets. The travel publications of Murdoch Magazines include Travel Weekly, Hotel & Travel Index, the Official Hotel & Resort Guide, Meetings and Conventions Magazine, the Official Meeting Facilities Guide and the World Travel Directory.

Murdoch Magazines regularly conducts major research studies for the travel industry. These include the Travel Weekly 1985 Louis Harris Study, the Hotel & Travel Index 1986 U.S. Travel Agent Usage Study and the Meetings and Conventions Magazine 1985 Meetings Market Study. Murdoch Magazines is located at 1 Park Avenue, New York, N.Y. 10016.

US Travel Data Center

The US Travel Data Center is the national, non-profit center for travel and tourism research. Since its establishment in 1973, the Data Center has devoted itself to advancing the common interests of the travel industry and the public it serves by encouraging, sponsoring and conducting statistical, economic, and scientific research concerning travel, the travel industry and travel-related industries. In pursuit of this objective, the Data Center gathers, analyzes, publishes and disseminates the results of such research and cooperates with all government agencies, private industry and academic institutions with similar purposes and objectives.

The US Travel Data Center is an affiliate of the Travel Industy Association of America (TIA), the national, non-profit association representing all components of the United States travel industry. The Data Center is located at 1899 L Street, N.W., Washington, D.C. 20036.

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EXECUTIVE SUMMARY

* Nineteen percent of the U.S. adult population or 33 million adults traveled on business or to attend a conference, convention or other meeting during the 12 months ending August 1986.

* The number of business trips increased 13% over the previous 12 months, completing the fourth year of continuous growth since the recession of 1981/82.

* The number of nights and the distances of business trips have increased, due in large measure to the significantly greater use of airlines by business travelers.

* Business travelers are somewhat more upscale than pleasure travelers and are far greater users of travel services.

* Business travelers took an average of 4.4 trips each during the 12 months ending August 1986 for a total of 141 million trips. Frequent business travelers, those who took 10 or more trips a year, were only 10% of business travelers but accounted for 50% of all business trips.

* Nine out of 10 business travelers stayed overnight on their trips, spending an average of 4.2 nights away from home and visiting 1.7 different places.

* Nearly three out of 10 business trips were for sales calls, with the second largest portion (26%) to attend conferences, conventions and trade shows.

* Business travel today is more likely to be combined with vacation travel, with nearly 29% of all business trips including some vacation time.

* One-half of all business travelers use their own cars for an average business trip. Four out of 10 (42%) use airlines, an increase over previous years. The type of transportation used differs by region of the country.

* Some 79% or 26 million business travelers stayed in hotels or motels during the 12 months ending August 1986. More than four out of 10 stayed in luxury hotels.

* More than one-fourth (26%) or 8.6 million business travelers used travel agents during the year to make their travel arrangements. One in 10 used corporate travel planners or departments.

* Segments of business travelers such as frequent travelers, travelers in specific occupations, women, luxury and international travelers have noticeably different demographics and travel characteristics.

PREFACE

Business travel in the United States has recovered from the recession of the early 1980's and attained record growth and volume in the 12 months ending August 1986.

During this period, some 33 million Americans took 141 million business trips, up 13% from 125 million business trips in the previous 12 months.

The importance of business travelers is universally recognized by the travel industry. Airlines, rental car companies and hotels acknowledge that business travelers account for major portions of their business and direct their marketing efforts accordingly.

Beginning September 1985, the Travel Weekly/US Travel Data Center Survey of Business Travelers has closely monitored business travel in the United States on a monthly basis. This survey has been sponsored by Murdoch Magazines and conducted by the US Travel Data Center.

This report summarizes the findings of the Travel Weekly/US Travel Data Center Survey of Business Travelers for the 12 months from September 1985 through August 1986.

We hope that the information in this report will add significantly to what is known about the business traveler and that it will be of help to you.

William Niles, Research Director, Murdoch Magazines
Suzanne Cook, Assistant Director, US Travel Data Center

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INTRODUCTION

The Travel Weekly/US Travel Data Center 1985/86 Survey of Business Travelers has developed information on many important aspects of the business travel market.

Each month beginning September 1985, a nationally projectable sample of 1,500 U.S. adults was interviewed by telephone about its business travel. Over the 12 month period ending August 1986, more than 3,700 business travelers gave detailed information about their trips. A full description of the methodology appears in the Appendix.

This survey has measured the number and characteristics of business travelers and their travel activities: how often they travel, where they travel, why they travel, how they get there and where they stay overnight. It has also explored the use by business travelers of travel services including airlines, rental cars, hotels and travel agents.

This report closely examines several important segments of business travelers. These include frequent travelers, travelers in specific occupations, women, luxury and international travelers.

This first report provides benchmark data on business travel. Starting September 1986, the Survey of Business Travelers began its second year under the sponsorship of Murdoch Magazines.

OVERVIEW OF BUSINESS TRAVEL

According to the US Travel Data Center's 1985 National Travel Survey Full Year Report, a total of 110 million American adults (63% of the total adult population) traveled during 1985. They took approximately 560 million trips, up 6% over 1984. During the first eight months of 1986, travel continued to increase 6% over the same period of the previous year.

Total expenditures for travel by U.S. citizens in 1985 is estimated at $258 billion, an increase of 7.5% over 1984. If viewed as a single retail industry, travel is the third largest in the United States in terms of sales and the second largest private employer.

Business Travel Trends

The growth in business travel has outpaced that of pleasure travel. In 1985, 133 million business trips were taken by U.S. residents, up 16% over 1984. This represents the highest level of business travel recorded during the last six years. For the first eight months of 1986, the rate of growth in business travel slowed somewhat to 10%.

Trends in Pleasure and Business Trips

(Millions)

	1980	1981	1982	1983	1984	1985	First 8 Months of 1986
Pleasure Trips	342.8	388.7	371.1	371.5	350.7	384.4	276.8
Business Trips	97.1	113.6	101.9	103.6	114.5	133.3	85.4

Source: US Travel Data Center's National Travel Survey

Pleasure travel also recovered in 1985 but grew at a slower rate than business travel. A total of 384 million pleasure trips were taken by U.S. residents in 1985, up 10% over the previous year. For the first 8 months of 1986, pleasure travel increased 8%.

Many characteristics of business travel have also changed over the last several years. As shown below, trip durations and distances have increased since 1980, reflecting in large part the greater amount of business travel that is now being taken by air.

More business travel is being combined with vacation than in the past. A larger percent of business travel was combined with vacation in 1985 than in any other year except 1982. In that year, as the economy worsened, Americans cut back substantially on pleasure and business travel. In 1985, more combined business/vacation trips were taken than in any other year: 17.3 million.

Trends in Business Trips

	1980	1981	1982	1983	1984	1985
Average Nights Per Trip	3.7	3.6	4.1	4.0	4.5	4.5
Average Miles Per Trip	1,000	940	1,000	1,030	1,000	1,180
Used an Airline	42%	37%	35%	48%	43%	44%
Trip Included Vacation	10%	10%	14%	9%	11%	13%
Traveled Over a Weekend	26%	21%	23%	17%	16%	21%

Source: US Travel Data Center's National Travel Survey

Economic Conditions That Affect Travel

In 1985, the U.S. economy concluded its third year of expansion following the 1981-82 recession, but slowed considerably from 1984's feverish pace.

As indicated in the table below, growth in the broad measures of business activity slowed in 1985, but virtually all registered gains. Corporate profits, however, fell and some businesses may have limited travel as a cost-cutting measure.

Trends in Economic Conditions

	Percent Change From Prior Year		
	1984	1985	1st 8 Months of 1986
Dollar Gross National Product	10.5	6.2	5.5
Real Gross National Product	6.4	2.7	2.6
New Plant and Equipment Spending	16.3	9.2	-1.4
Corporate Profits After Tax	7.6	-6.4	8.1
Travel Price Index	3.8	4.8	-
Payroll Employment	4.7	3.3	2.7

Source: U.S. Department of Commerce, U.S. Department of Labor, US Travel Data Center

Data for the first eight months of 1986 indicate that the nation's total output of goods and services, or gross national product, is growing slightly more slowly than in 1985 in both dollar and real (i.e. with inflation removed) terms.

At the same time, employment growth also slowed from the rapid pace of 1983 and 1984, as is customary later in an economic recovery.

New plant and equipment spending declined during the first eight months of 1986 after rising sharply in 1985. This factor, along with the slower growth in the economy and employment may produce a slower rate of business travel growth than in the last 12 months.

On the other hand, prices that travelers pay have leveled off substantially and showed no increase at all for the first eight months of 1986. This factor many help to keep business travel growing at a healthy rate and offset the effects of the economic slowdown.

Business Travel Expenditures

Business travelers spent an estimated $66 billion on transportation, accommodations, meals and other goods and services they needed while away from home in the 12 months ending August 1986. This amounted to an average of $2,000 for each business traveler or $470 for each business trip.

Travel and entertainment expenses are the third largest controllable expense in most companies following salaries and data processing, according to American Express's 1986 Survey of Business Travel Management. Airline tickets are 41% of business travel costs followed by hotels (22%), meals (17%), entertainment (14%) and cars (6%).

The largest increase in travel costs has been in hotel rooms. Hotel rates, which have led travel price inflation over most of the past decade, were up 3.8% during the first eight months of 1986 but are now increasing only 40% as fast as over the last decade.

The Importance of Business Travelers

Business travelers are far more important to travel suppliers than their total number would indicate. Business travelers are frequent users of most travel services. They use airlines, rental cars, hotels and travel agents to a far greater degree than pleasure travelers.

Business travel is basically a non-discretionary expenditure and therefore is a more stable and reliable source of revenue to travel suppliers than vacation or leisure travel. Business travel is also less price resistant than vacation or leisure travel.

Business trips are taken more consistently throughout the year, unlike vacation and leisure trips, which are more heavily concentrated during the summer months.

Business travelers today account for major portions of the revenues of airlines, rental car companies and hotels.

According to the Air Transport Association's 1986 Air Travel Survey, conducted by the Gallup Organization, business travelers represented 31% of all U.S. airline travelers during 1986 but accounted for 46% of all airline trips.

Child and Waters' 1986 Travel Industry World Yearbook reports that 65% of rental car revenues come from business travelers.

According to Laventhol & Horwath's 1986 U.S. Lodging Industry Report, 44% of hotel guests during 1985 were business or government travelers and 19% were conference attendees. Business travelers account for a far larger share of the revenues of airport and commercial properties.

PROFILE OF BUSINESS TRAVELERS

The 1985/86 Survey of Business Travelers has found that 33 million Americans or nearly one-fifth of the total adult population took a business trip 100 miles or more each way in the 12 months ending August 1986. During the average month, nearly nine million Americans took a business trip.

The total of 33 million business travelers includes a broad range of Americans for whom "business" has many different meanings. Many travel regularly for their companies. They call on clients, attend meetings, deliver and install equipment, visit plants and perform numerous other functions that their jobs require. Others must travel almost full time in order to do their jobs. These jobs include auditing, construction, entertainment or the arts, professional sports and tour guiding. Moreover, many other business trips are taken for personal business, such as private investments, job interviews and educational seminars.

Business trips are more common among some segments of the population. Although one-fifth of all American adults took a business trip in the last 12 months, 25% of men between the ages of 25 to 44 and 34% of professional/managerial employees traveled on business.

According to the American Express's 1986 Survey of Business Travel Management, one out of every 5 company employees takes business trips during the year. Eight percent of company employees take 9 or more business trips during the year.

Demographics of Business Travelers

The largest group of business travelers are between the ages of 25 to 44. This group of "baby boomers" accounts for 57% of business travelers. The needs and expectations of this group differ from those of older business travelers.

Women are now nearly 40% of all business travelers, up from 34% two years ago. Business travel by women will continue to grow as more women enter the work force and attain higher positions within their companies.

Nearly half of all U.S. business travelers are college graduates and more than half have professional, managerial and technical jobs. There are over four and one-half million blue collar workers whose jobs require them to travel. A significant portion of business travelers, 9.2 million or 28%, are self-employed.

Demographics of Business Travelers

	Millions	Percent
Total	33.0	100
Sex		
Men	20.1	61
Women	12.9	39
Age		
18-24	3.9	12
25-34	10.2	31
35-44	8.6	26
45-54	5.0	15
55-64	3.3	10
65 or Older	2.0	6
Median Age	38 Years	
Marital Status		
Married	21.1	64
Not Married	11.9	36
Education		
College Graduate or More	14.9	45

(Continued)

	Millions	Percent
Household Income		
$50,000 or More	7.6	23
$40,000-50,000	5.3	16
$30,000-40,000	7.6	23
Less Than $30,000	12.5	38
Median Household Income	$45,000	
Occupation		
Professional or Managerial	8.6	26
Lower Level Technical or Managerial Occupations	8.6	26
Clerical or Sales	5.6	17
Blue Collar	4.6	14
Other	5.6	17
Self Employed	9.2	28
Industry		
Finance, Banking, Insurance, Real Estate and Business Services	6.6	20
Health, Legal, Personal and Educational Services	6.6	20
Wholesale and Retail Trade	5.6	17
Manufacturing and High Technology	4.0	12
Public Administration and Government	3.3	10
Agriculture, Mining, Oil and Construction	3.0	9
Transportation, Communications and Public Utilities	2.3	7
Other	1.6	5

(Continued)

	Millions	Percent
Area of Residence*		
New England	2.3	7
Mid-Atlantic	4.6	14
South Atlantic	5.3	16
East South Central	2.0	6
West South Central	3.6	11
East North Central	5.6	17
West North Central	3.0	9
Mountain	2.0	6
Pacific	4.6	14

* Definition of areas included in the Appendix.

Differences Between Business and Pleasure Travelers

Americans who take business trips are more upscale than pleasure travelers. Business travelers are more likely to be men, to be between the ages of 25 to 44 and to have better educations, professional or managerial occupations and higher incomes than pleasure travelers.

Selected Demographics of Business and Pleasure Travelers

	Pleasure Travelers	Business Travelers
Men	48%	61%
Age 25-44	48	57
College Graduate or More	34	45
Professional or Managerial	15	26
Household Income $40,000+	27	39
2+ Wage Earners in Household	46	52

Source for Pleasure Travelers: US Travel Data Center's National Travel Survey

Compared with pleasure travelers, business travelers stay fewer nights away and take fewer other household members on their trips. However, business travelers take longer trips (1,180 miles compared with 1,010 miles) and use travel services more than pleasure travelers on an average trip.

Selected Characteristics of Business and Pleasure Travelers

	Pleasure Travelers	Business Travelers
Average Miles Per Trip	1,010	1,180
Average Nights Per Trip	5.9	4.2
Average Household Members on Trip	2.1	1.4
Use an Airline	21%	42%
Use a Rental Car	6%	15%
Stay in a Hotel	39%	71%
Used a Travel Agent in Past Year	13%	26%

Source for Pleasure Travelers: US Travel Data Center's National Travel Survey

CHARACTERISTICS OF BUSINESS TRIPS

Like most areas of life today, business is faster paced and more demanding. Business travelers are traveling longer distances (especially by airline) and spending more nights away from home.

Number of Business Trips Taken

Business travelers take an average of 4.4 trips per year. More than half take only one or two trips. At the other extreme, 10%, or 3.3 million business travelers, take 10 or more trips per year. As this chart shows, frequent business travelers account for 50% of all business trips. They take an average of 22 trips per year.

Number of Business Trips Taken Per Year

Business Trips Per Year	Business Travelers		Business Trips	
	Million	%	Million	%
1-2	19.5	59	26.4	19
3-9	10.2	31	44.4	31
10+	3.3	10	70.2	50
Total	33.0	100	141.0	100

Average: 4.4 Trips Per Year

Infrequent business travelers are more likely to be attending conferences, conventions and trade shows, to be women, and to be employees in health, legal, personal and educational services and in public administration and government.

Frequent business travelers are more likely to be sales travelers, international travelers and employees in specific industries: manufacturing and high technology, finance, banking, insurance, real estate and business services.

Places Visited on Business Trips

More than two-thirds of business travelers visit only one place on a typical trip. The average number of different places visited on each trip is 1.7. Frequent business travelers visit an average of two places on each average trip.

Number of Places Visited on Business Trips

1 Place	69%
2 Places	14
3 or More Places	17

Average: 1.7 Places Visited

Nearly all business travelers (93%) stay overnight on an average business trip. More than three-quarters of them visit a single overnight destination on a trip.

Nearly two-thirds of all business travelers to an overnight destination are visiting it for the first time. Only 17% have been to the same overnight destination two or more times before.

Number of Times Visited Overnight Destination In Past 12 Months

Have Not Visited Before	65%
Visited One Time Before	18
Visited Two Times Before	7
Visited Three Times or More Before	10

Business travelers who have not been to the overnight destination before are more likely to be attending conferences or conventions and to travel there by airline.

More business travelers visit South Atlantic states than any other area of the U.S. on an average trip. The Pacific and East North Central areas are the next most frequently visited areas. One out of every 20 business travelers travels abroad.

The South Atlantic area receives many more visits from business travelers than it produces. On the other hand, many more business travelers depart from the Eastern states (New England and Mid-Atlantic areas) and the East and West North Central areas than travel to those areas. Generally, however, the distribution of business travel closely resembles the distribution of population in the United States.

Areas of Origin and Destination*

	Origin of Business Trips	Final Destination of Business Trips	Destination Net Inflow
New England	7%	4%	-3%
Mid-Atlantic	14	9	-5
South Atlantic	16	22	+6
East South Central	6	5	-1
West South Central	11	10	-1
East North Central	17	14	-3
West North Central	9	6	-3
Mountain	6	9	+3
Pacific	14	16	+2
Outside U.S.	-	5	+5

* Definition of areas included in the Appendix.

Overnight Stays on Business Trips

Business trips of 100 miles or more each way (the definition used by the 1985/86 Survey of Business Travelers) usually involve overnight stays. It is not surprising that 93% of business travelers spend one night or more on their trips.

The average business trip lasts 4.2 nights. One out of four business travelers, as the following chart shows, spends 5 or more nights away from home on a business trip.

Nights Spent Away From Home Per Business Trip

No Nights	7%
1 Night	13
2-3 Nights	38
4-5 Nights	18
5+ Nights	24

Average: 4.2 Nights Per Trip

The majority of business travelers (71%) select hotels or motels for their accommodations. Another 18% stay in the homes of friends or relatives.

Types of Lodging Used on Overnight Trips*

Hotels	71%
Friends' or Relatives' Homes	18
Other Private Residences	3
Other Accommodations	5
No Overnights	7

* Column adds to more than 100% due to multiple responses.

Seasonality of Business Trips

Unlike pleasure trips, which are more often taken during the summer months, business trips are taken throughout the year. Except for a slightly larger volume from March through November, the 133 million business trips taken in 1985 were spread evenly over all months of the year.

1985 Pleasure and Business Trips by Month

(Millions)

	Pleasure Trips	Business Trips
January	21	9
February	18	8
March	23	11
April	26	12
May	37	11
June	41	12
July	49	13
August	41	12
September	35	12
October	32	13
November	30	11
December	31	9
Total	384	133

Source: US Travel Data Center's National Travel Survey

Number of People on Business Trips

Approximately two-thirds of business travelers travel alone on their trips. One out of four have one or two business associates with them and 12% are accompanied by three or more business associates. Three out of 10 business travelers have one or more family members with them on their business trips.

Number of Persons Who Accompany Business Travelers

	Business Associates	Household Members
None	64%	70%
1	15	22
2	9	5
3 or More	12	3

Frustrations of Business Travelers

Business travelers are often frustrated by the many demands of travel which are beyond their control. These include the time required to travel and the long waits and inevitable delays of arrivals and departures.

Many of their frustrations are more personal: being away from their families, being alone on trips and living out of suitcases.

Other frustrations revealed by this survey included "the fear of flying, having to leave early in the morning, rushing all the time, the hassled way of life, sharing rooms, and going places I don't want to go."

Very few business travelers mentioned problems created by airlines, rental car companies and hotels other than delays as sources of their frustrations.

Some 5% of business travelers reported having luggage lost by airlines, but nearly all said it was eventually recovered. Fewer than 5% of business travelers said they have been unable to get reservations with their first choice airline or get the seats desired or have been bumped from a reserved flight.

Similarly, few business travelers reported that their rental car reservations were not honored or that they were unable to get reservations at a hotel of their choice.

Concern With Business Travel Costs

Despite increasing efforts by corporations to cut business travel costs, fewer than one out of 5 business travelers is more concerned than in the past about reducing business travel costs. Those few who are concerned concentrate more on reducing the costs of each trip rather than reducing the number of trips they take.

Business travelers believe they have achieved the largest savings by staying fewer nights in hotels, using less expensive hotels, using more discount air fares and renting smaller cars. Very few believe they have saved much by using the rental car companies and hotels that their company policies dictate.

PURPOSES OF BUSINESS TRIPS

There are many reasons for business trips, some of which cannot be easily classified. Most reasons, however, fall into 5 basic categories. These include 1)attending conferences and conventions, 2)attending training meetings, 3)attending company meetings, 4)calling on present or potential clients and 5)all other reasons.

More business travelers travel to attend meetings than for any other purpose. Nearly three out of 10 business travelers (27%) reported attending conferences, conventions and trade shows on their most recent business trip. An additional 25% attended training meetings and seminars and 16% attended company business or sales meetings.

Approximately 13% of the business travelers interviewed called on clients on their last business trip while 19% traveled for other reasons, including the full range of purposes from interviewing for a job to acquiring a company for a conglomerate.

Purposes of Trips Taken by Business Travelers

	Most Recent Trip	Took Trip in Past 12 Months	
	Percent	Percent*	Millions
Conferences, Conventions and Trade Shows	27	41	13.5
Training Meetings and Seminars	25	26	8.6
Company Business or Sales Meetings	16	29	9.6
See Present or Potential Clients	13	27	8.9
Other Reasons	19	13	4.0

* Column adds to more than 100% due to multiple responses.

The survey also collected information from business travelers about all business trips taken in the last 12 months. As shown above, a far larger percent of business travelers attended conferences, conventions or trade shows during the last 12 months (41%) than did so on their last trip (27%). The same is true of business travelers who attended company meetings and called on clients.

Some 27%, or 8.9 million business travelers, call on clients during the year. As shown below, they take an average of 4.7 trips per year to see clients. Business trips to see clients account for 41.8 million or 29% of all business trips taken. The second largest number of business trips, 36.5 million or 26% of the total, are taken to attend conferences and conventions.

Total Yearly Business Trips by Purpose of Trips

	Business Travelers in Millions	Average Number of Trips Per Year	Total Yearly Business Trips	
			Millions	Percent
Conferences, Conventions and Trade Shows	13.5	2.7	36.5	26
Training Meetings and Seminars	8.6	2.1	18.1	13
Company Business or Sales Meetings	9.6	2.6	25.0	18
See Present or Potential Clients	8.9	4.7	41.8	29
Other Reasons	4.0	4.9	19.6	14

Sales Business Travelers

Business travelers reported that only 13% of their most recent business trips were taken to visit clients, yet sales business trips account for nearly 29% of all yearly business trips. Business travelers who call on present or prospective clients are more likely to be men in high paying professional or managerial jobs.

Many sales travelers are self-employed and work in manufacturing and wholesale or retail trades. Sales travelers are frequent travelers. Over one-fifth take 10 or more trips per year. Sales travelers are more likely to travel by airline and rental car rather than use their own car.

Selected Demographics of Sales Travelers

	Total Business Travelers	Sales Travelers
Men	61%	74%
Household Income $50,000+	23	34
Professional or Managerial	26	31
Self Employed	28	43
Manufacturing and High Technology	12	16
Wholesale and Retail Trade	17	19
Take 10+ Trips Per Year	10	22
Use Own Car	50	45
Use an Airline	42	44
Use a Rental Car	15	22

Conferences, Conventions and Trade Shows

The conference and convention market totaled $23.9 billion in 1985, according to Meetings and Conventions Magazine's 1985 Meetings Market Study.

A total of 197,000 association meetings were held in 1985, up 24% from 159,000 held in 1983. The total attendance at association meetings was 32 million, an increase of 19% over 27 million in 1983.

According to the 1985/86 Survey of Business Travelers, 26% of all yearly business trips were to attend conferences, conventions and trade shows.

Convention attendees are more likely to be women, employed in health, legal, personal and educational services, accompanied by other household members and traveling over weekends. Convention attendees take very few business trips per year, probably only to attend conventions. The majority (82%) stay in hotels.

Selected Characteristics of Convention Attendees

	Total Business Travelers	Convention Attendees
Women	39%	44%
Health, Legal, Personal and Educational Services	20	28
Other Household Member on Trip	30	38
Take One or Two Trips Per Year	59	62
Travel Over a Weekend	53	58
Stay in a Hotel	71	82

Corporate Meetings

The corporate meeting market totaled $7.5 billion in 1985, according to Meetings and Conventions Magazine's 1985 Meetings Market Study, an increase of 17% over $6.4 billion spent in 1983.

The number of corporate meetings held declined slightly from 713,800 in 1983 to 706,100 in 1985. Attendance, however, increased 8% from 36.8 million in 1983 to 39.8 million in 1985.

Business travelers who attend company meetings are more likely to be men with technical and managerial positions. They tend to be sales or clerical workers in manufacturing and high technology industries and in wholesale and retail trade. They are also frequent business travelers and are less likely to be taking other household members on their trips or traveling over weekends.

Selected Characteristics of Company Meeting Attendees

	Total Business Travelers	Company Meeting Attendees
Men	61%	69%
Lower Level Technical and Managerial	26	32
Sales or Clerical	17	22
Manufacturing and High Technology	12	15
Wholesale and Retail Trade	17	20
Take 10+ Trips Per Year	10	16
Other Household Member on Trip	30	25
Travel Over a Weekend	53	38

Over 40% of all business travelers work for corporations and nearly three-quarters of these attended company meetings in the past year. More business travelers who work for corporations attend training seminars than any other type of company meetings.

Kinds of Company Meetings Attended by Corporate Employees

	Attended Any Meeting	Average Number Attended in Past Year
Training Seminars	52%	2.3
Professional/Technical Meetings	42	2.4
Managerial Meetings	40	2.8
Regional or National Sales Meetings	25	2.0
New Product Introductions	15	2.0
Incentive Trips	10	1.6
Attended Any Company Meeting	74	

Business travelers who attended off-premises company meetings in the past 12 months said that nearly one-fourth (23%) of these meetings involved airline travel. The average length of off-premises company meetings is 2.7 days.

Combining Business and Vacation Trips

More business travel today is combined with vacation travel than ever before. Nearly 29% of the most recent business trips also included some vacation time, up from 27% in the previous year. During the summer months of June through August 1986, an average of 38% of business trips were combined with vacation.

Business travelers who take vacation time add an average of three and one-half days either before or at the end of their business trips.

Business travelers who combine business and vacation are more likely to be women and international travelers and to be using travel agents to plan their trips.

One-third of business travelers enjoy some form of entertainment while on a business trip. Some 29% visit friends or relatives on their trips.

More than half of business travelers plan their business trips around special weekend activities away from home.

The pace and demands of business today as well as the increase in working couples have contributed to the trend of combining business and vacation trips. Business travelers are good prospects for vacation travel. They have high incomes, are less price resistant and are accustomed to traveling by airline, renting cars and staying in hotels.

TYPES OF TRANSPORTATION USED BY BUSINESS TRAVELERS

Business trips of 100 miles or more each way, the definition of business travel used by the 1985/86 Survey of Business Travelers, require one or more forms of long distance transportation.

Some 57% or 19 million business travelers used airlines and 38% or 13 million business travelers rented cars at least once for business trips during the past year.

When asked about their last business trip, half the business traveler respondents reported using their own cars, 42% used airlines and 15% rented cars. Rental cars are most often used in conjunction with airlines rather than as the primary means of transportation.

Types of Transportation Used on Last Business Trip

	All Types Used*	Primary Type Used
Own Car	50%	45%
Airline	42	36
Rental Car	15	6
Taxi	5	1
Bus	4	2
Train	2	1
Other	7	9

* Column adds to more than 100% due to multiple responses.

Three times as many business travelers use their own cars for business trips as rent cars and nearly 8 times as many use them as their primary means of transportation.

Nearly 6 out of 10 business travelers in the Midwest use their own cars on an average business trip. The use of private cars is lowest in the East and West. The use of rental cars is higher in the West than in any other region of the country. Business travel by airline is also highest in the West.

Types of Transportation Used by Area of Residence*

	Total U.S.	East	South	Midwest	West
Own Car	50%	44%	54%	57%	43%
Airline	42	44	39	36	48
Rental Car	15	15	13	15	22
Taxi	5	7	4	4	4
Bus	4	5	4	4	4
Train	2	3	1	1	2
Other	7	7	8	9	6

* Columns add to more than 100% due to multiple responses. Definition of areas included in the Appendix.

THE USE OF OWN CARS

The private car is still the predominant method of transportation for business trips. One-half of all business travelers use their own cars on the average business trip. The use of private cars has declined from 56% of all business trips in 1980 to 51% in 1985.

Business travelers who use their own cars are frequently less educated, have lower incomes and live in the Midwest.

Business travelers are more likely to use their own cars for day trips. If they stay overnight, they spend fewer nights away and use hotels, especially more expensive hotels, less often.

Selected Characteristics of Business Travelers Who Use Own Cars

	Total Business Travelers	Business Travelers Who Use Own Cars
Less Than College Education	55%	62%
Household Income Less Than $30,000	38	44
Midwest*	26	30
No Nights Away	7	10
Spend Fewer Than 2 Nights Away	20	27
Stay in a Hotel	71	67
Spend $75+ Per Night For a Hotel	30	19

* East and West North Central Areas

THE USE OF AIRLINES

Since 1971, the Air Transport Association of America has commissioned studies by the Gallup Organization that measure the incidence of air travel by Americans. The percent of adults who have ever flown increased steadily from 49% in 1971 to 72% in 1986. The percent who took airline trips within the past 12 months increased from 28% in 1985 to 31% in 1986.

Although the greatest increases in air travel have been among leisure and vacation travelers, more business travelers are using airlines than ever before. Of those who took air trips in 1986, 31% took them for business reasons. Of all air trips taken in 1986, 46% were for business reasons.

The increase in air travel in the 1980's is partially due to deregulation which has stimulated greater competition among the airlines. This has resulted in the growth of new airlines, an increase in commuter services to secondary cities and in a lowering of air fares. Many of the changes that have occurred, such as the addition of larger and more comfortable aircraft and the increase in routes and connections with major hubs, have encouraged business travelers to increase their use of airlines. Much of the surge in air travel by business travelers has reduced travel by private car.

According to the US Travel Data Center's National Travel Survey, airline flights by business travelers increased 44% from 1980 to 1985. They increased 19% from 49.2 million in 1984 to 58.7 million in 1985. Some 44% of all business trips in 1985 involved airlines, up from 42% in 1980 and 43% in 1984.

Growth of Business Air Trips

	1980	1981	1982	1983	1984	1985
Total Business Trips (Millions)	97.1	113.6	101.9	103.6	114.5	133.3
Business Air Trips (Millions)	40.8	42.0	35.7	49.7	49.2	58.7
Percent of Total	42	37	35	48	43	44

Source: US Travel Data Center's National Travel Survey

A total of 57% or 19 million business travelers took one or more airline trips during the past year, according to the 1985/86 Survey of Business Travelers. A smaller proportion, 42%, used an airline on their most recent trip.

Characteristics of Airline Business Travelers

Business travelers who use airlines are more upscale than average business travelers. They are more likely to be college graduates with household incomes exceeding $50,000 per year and to be professionals and managers often in finance, banking, insurance, real estate and business services.

Airline business travelers tend to take longer trips, to rent cars and to stay in more expensive hotels. Nine out of 10 airline business travelers (88%) used travel agents in the past year.

Selected Characteristics of Airline Business Travelers

	Total Business Travelers	Airline Business Travelers
College Graduate or More	45%	55%
Professional or Managerial	26	29
Household Income $50,000+	23	33
Finance, Banking, Insurance, Real Estate and Business Services	20	22
Spend 4+ Nights Away	42	56
Use a Rental Car	15	23
Stay in a Hotel	71	75
Spend $75+ Per Night For a Hotel	29	42
Used a Travel Agent in Past Year	26	88

Factors in Selecting Airlines

To business travelers, convenience of schedules is the most important factor in selecting an airline, followed by low or discount fares and on-time departures. Corporate or company policy ranks last as an influential factor.

Most Important Factors in Selecting Airlines

Convenience of Schedules	70%
Low or Discount Fares	53
On-time Departures	43
Check-in and Boarding Process	33
Overall Service by Flight Attendants	24
Recommendations of Travel Agent or Corporate Travel Planner	17
Food and Beverage Service	15
Frequent Flyer Programs	12
Corporate or Company Policy	8

Frequent Flyer Programs

Some 12% or four million business travelers belong to frequent flyer programs, far more than belong to frequent car rental (6%) or frequent hotel guest (6%) programs. A significantly higher proportion of frequent airline business travelers, estimated in excess of 80%, belong to frequent flyer programs. Membership in frequent flyer programs is also higher among business travelers who use travel agents, rent cars and travel abroad.

Members of frequent flyer programs belong to an average of two programs. Some 28% belong to three or more programs and 15% belong to four or more programs.

Nearly three-fourths of frequent flyer program members say their memberships are a major factor in selecting particular flights. Very few say their memberships are never influential.

The majority of business travelers who belong to frequent flyer programs (86%) are allowed to keep the bonus points they earn from their business flights.

Few business flyers say that they frequently take special actions such as making extra stops, paying full fares instead of discounted fares or taking less convenient flights in order to earn bonus points.

Half of frequent flyer program members use their bonus points for free flights, 14% use them for upgrades and 34% use them for both free flights and upgrades. Bonus points are used primarily for pleasure rather than for business flights.

THE USE OF RENTAL CARS

Rental car companies are more competitive than ever in their efforts to attract the business traveler. The four largest rental car companies dominate the market less than in earlier years. Smaller companies control a growing share of the rental car market in the U.S. today.

Some 38% or 13 million business travelers rent a car each year, more than double the proportion of all U.S. adults who rent cars. Only 15% of all licensed drivers in the U.S. have ever rented a car, according to the 1986 Travel Industry World Yearbook. This source also reports that business travelers account for 65% of all U.S. car rentals.

Much of rental car use is in conjunction with airline travel. An estimated three-quarters of rental car revenues come from airport locations.

Some 15% of business travelers rent a car on an average trip. A higher proportion of frequent business travelers, 20%, rent a car on an average trip. Frequent business travelers rent an average of 15 cars a year and account for a large part of rental car revenues.

Characteristics of Rental Car Users

Business travelers who use rental cars are more likely to be employed in business services and in manufacturing and high technology industries. They are also more likely to live in the West.

Business car renters are much more likely to attend corporate meetings and make sales calls. More than two-thirds of business car renters are airline travelers. They also take more and longer trips and stay in hotels. The business traveler who rents cars is more likely to have business associates along on the trip.

Selected Characteristics of Business Car Renters

	Total Business Travelers	Business Car Renters
Finance, Banking, Insurance, Real Estate, and Business Services	20%	26%
Manufacturing and High Technology	12	20
Live in the West*	20	28
Attend Company or Sales Meeting	16	22
See Clients	13	19
Visit 2+ Places	31	43
Spend 4+ Nights Away	42	52
Accompanied by 2+ Business Associates	21	30
Use an Airline	42	69
Stay in a Hotel	71	88
Used a Travel Agent in Past Year	26	50

* Mountain and Pacific Areas

Factors in Selecting Rental Car Companies

Business travelers cite reasonable rates, convenient location and the condition of the cars as the most important factors in selecting rental car companies.

Most Important Factors in Selecting Rental Car Companies

Reasonable Rates	62%
Convenient Location	51
Condition of Cars	49
Recommendations of Travel Agent or Corporate Travel Planner	47
Speed of Check-in and Return	43
Corporate or Company Policy or Discounts	34
Large Selection and Availability of Cars	33
Previous Experience	24
Airport Location	19
Recommendation of Colleagues or Friends	11
Frequent Car Renter Program	4

Business travelers have perceived improvements in car rental service within the last year. More than 20% have noticed improvements in overall services, time to return cars and shuttle bus services to airport parking lots.

The largest group (36%) noted an improvement in the condition of rental cars. Less than 20% observed improvements in check-out time and the performance of counter personnel.

THE USE OF HOTELS BY BUSINESS TRAVELERS

The American Hotel & Motel Association has estimated hotel sales for 1986 to be $45.8 billion, a 9% increase over $42 billion in 1985.

There are more than 45,000 hotels and motels in the U.S. with 2.7 million rooms, according to Laventhol & Horwath. Some 80,000 new rooms were added in 1986. Occupancy rates were down from 68% in 1984 to 66% in 1986. One out of every three or nearly one million hotel rooms will not be occupied daily in 1987, representing a challenge to the hotel industry.

Twenty-six million, or 79% of all business travelers, stayed in hotels in the past year compared with 19 million who used airlines and 13 million who rented cars. Business travelers account for more than half of hotel guests and a much larger share of commercial and airport hotels' guests.

Seven out of 10 business travelers (71%) stay in hotels or motels on an average trip. A higher proportion of frequent business travelers, 76%, use hotels or motels on an average trip.

Business travelers spend an average of 3.8 nights in a hotel or motel on each trip. This increased from 3.3 nights last year, largely a result of the increased use of airlines. It also reflects the success of hotels' extended stay programs and weekend packages.

Business travelers who use hotels are more likely to use airlines and rental cars and to be attending conferences or conventions.

Types of Hotels Used by Business Travelers

More than one out of every four business travelers who uses a hotel stays at a large luxury hotel. Including those who stay at small luxury hotels, 44% of business hotel guests use luxury accommodations. A much higher percent of frequent business travelers, 69%, use luxury accommodations, as the following chart shows.

Types of Hotel and Motels Used by Business Travelers

	Total Business Travelers	Frequent Business Travelers*
Large Luxury Hotels	27%	45%
Moderate Price Hotels	21	**
Small Luxury Hotels	17	24
Convention Hotels	15	11
Motels	8	5
Resort Hotels	7	**
Airport Hotels	3	15
All Suite Hotels	2	**
Total Luxury Hotels	44	69

* Take 10 or more business trips per year
** Respondents less than .5%

Nearly two-thirds of all business travelers spend more than $50 per night for hotel or motel rooms. The average rate paid is $69. Three out of every 10 business travelers pay more than $75 per night.

Frequent business travelers, air travelers and travelers who book their rooms through travel agents pay the most for hotels. Business travelers who use their own cars, call on clients and live in the South and Midwest pay the least.

Amount Spent Per Night For a Hotel Room

Less than $50	37%
$50-74	33
$75-99	17
$100-149	9
$150 or More	4
Average Amount Spent:	$69

Some 13% of business travelers have ever stayed on the concierge or executive floors of hotels. More than half of these business travelers rate the check-in/check-out services and the larger, more attractively furnished rooms as the most important features of these floors. Secretarial services and honor bars are the least desired features.

Key Factors in Selecting Hotels

Business travelers select hotels most often for convenient locations. The second most important factor is clean, comfortable rooms. This is particularly important to convention attendees and international travelers. Room rates rank number three in importance. Only 2% of business travelers consider frequent guest programs an important selection factor.

Factors Rated Most Important in Selecting Hotels

Convenient Location	78%
Clean, Comfortable Rooms	67
Room Rates	55
Recommendations of Colleagues or Friends	35
Previous Experience	33
Meeting Facilities	33
Restaurants and/or Food Service	22
Corporate or Company Policy	22
Recommendations of Travel Agents or Corporate Travel Planners	11
Frequent Guest Program	2

The cleanliness and quality of the rooms and hotel security are the most important elements in encouraging business travelers to return to the same hotels. The overall appearance of the hotel, the level of service and the speed of check-in and check-out are also very important to over half of business travelers.

In deciding whether or not to return to the same hotels, frequent business travelers pay particular attention to the quality and size of rooms and to the business services that are available.

It is noteworthy that those factors which business travelers consider most important in returning to a hotel--cleanliness and quality of rooms -- are not perceived to be significantly different from one hotel to another. On the other hand, factors such as restaurants, service and sports facilities, which are perceived to be different from one hotel to another, are not particularly influential in attracting return business. It is ironic that sports and health facilities, which many hotels have added in recent years, do not appear to be influential in attracting repeat business.

A significant proportion of business travelers (29%) include some vacation time, adding days either at the beginning or the end of their business trips. Nearly one-third (32%) of these business travelers stay at the same hotels for the vacation portions of their trips. Moreover, more than half (52%) say they intend to return to the same areas for a vacation within the next year.

Switching of Hotels by Business Travelers

The 1985/86 Survey of Business Travelers has found that 40% of all U.S. business travelers frequently or occasionally stay at a different hotel when they return to a destination. Business travelers today are particularly demanding, especially with the wide choice of hotels available, and often seek better or more conveniently located hotels.

Business travelers who use airlines and rental cars and book reservations through travel agents are more likely than others to change hotels. Women business travelers are more likely to change hotels than men. When frequent travelers return to a destination, 38% change hotels.

Only 23% of business travelers always stay at the same hotels on return trips. Many business travelers do not use the same hotel chain on their trips. Only one-third frequently or always stay in hotels in the same hotel chain when they travel.

Frequent Hotel Guest Programs

Only 6% or two million business travelers belong to frequent hotel guest programs compared with 12% or four million business travelers who belong to frequent flyer programs. As expected, a much higher proportion of frequent business travelers, 21%, belong to frequent guest programs. Only 12% of all business travelers and 48% of frequent business travelers are familiar with any hotel's frequent guest program.

There is some synergism, although still limited, between airline and hotel frequent traveler programs. One out of 10 business travelers frequently select hotels that are tied in with their frequent flyer programs. Half the members of frequent hotel guest programs that offer airline benefits joined them in order to receive those benefits.

Use of Travel Agents For Hotel Reservations

Nearly all business travelers who use hotels make advance reservations (93%). Travel agents play a larger role in arranging these hotel accommodations for business travelers than ever before.

U.S. travel agents booked $5.4 billion in hotel reservations in 1985, up 23% from $4.4 billion in 1983, according to the Travel Weekly 1985 Louis Harris Study. More than half or $2.9 billion of travel agents' total hotel bookings in 1985 were for business travelers.

Travel agents are essential to the hotel industry. Travel Weekly estimates that 25% of all U.S. hotel reservations are made by travel agents, accounting for more than 130 million room nights a year.

More than one out of every four (26%) or a total of 8.6 million business travelers used travel agents for their business trips within the past year. Some 44% of frequent business travelers used travel agents.

During an average trip, 17% or 5.6 million business travelers use travel agents to reserve their hotel rooms.

Business travelers who use travel agents have specific characteristics. They are more likely to travel frequently, to use airlines and rental cars and to stay more nights and spend more for hotel rooms. These business travelers are also more likely to combine business and vacation in the same trips.

Travel agents do considerably more than merely book hotel rooms for their business clients. Half of their clients ask for information about hotels, particularly descriptions of hotels and their locations.

An average of four different hotels are considered by business travelers for each trip before a final selection is made. Often the hotels selected are fully booked or the requested rooms are not available and the agent is able to suggest another hotel.

Four out of every 10 business travelers ask their travel agents to recommend hotels to them, according to the 1985/86 Survey of Business Travelers. These business travelers are more likely to be women and international travelers.

THE USE OF TRAVEL AGENTS AND CORPORATE TRAVEL DEPARTMENTS

Travel agents play an important role both in planning trips for business travelers and in booking their reservations. They are needed more than ever before to deal with the growing complexity of making travel arrangements.

There are approximately 28,500 travel agents in the U.S. today, 48% more than 5 years ago and twice as many as 10 years ago. According to the Travel Weekly 1985 Louis Harris Study, the total revenues of U.S. travel agencies were $54.3 billion in 1985.

More than half (53%) of travel agents' total bookings in 1985 or $28.8 billion was for business travel, up 24% from $23.2 billion in 1983. Nine out of 10 travel agencies have corporate accounts. Each agency services an average of 34 corporate accounts per week.

Business and Pleasure Revenues of U.S. Travel Agencies

($ Billions)

	1983	1985	1983-85 Increase
Business Travel	$23.2	$28.8	+24%
Pleasure Travel	$20.5	$25.5	+24%
Total	$43.7	$54.3	+24%

Source: Travel Weekly 1983 and 1985 Louis Harris Studies

Travel agents today account for an estimated 75% of the domestic airline reservations and from 85% to 95% of the international airline reservations made for U.S. travelers. They are also responsible for more than half of rental car sales and 25% of all domestic hotel reservations.

Methods of Booking Reservations

Some 26% or 8.6 million business travelers use travel agents for their business trips during the year. This is twice the proportion of pleasure travelers who use travel agents. Some 44% of frequent business travelers use travel agents during the year.

Forty-three percent of all airline business travelers and 26% of business car renters used travel agents to make reservations for their last trip. A smaller proportion, 17%, used travel agents to make hotel reservations for their last trip.

Methods of Booking Reservations For Last Business Trip

	Airlines	Rental Cars	Hotels
Booked Direct	41%	49%	58%
Used a Travel Agent	43	26	17
Used a Corporate Travel Planner	9	9	10
Used Other Method	7	10	8
Did Not Make Reservations	-	6	7

Characteristics of Travel Agent Users

Business travelers who use the services of travel agents tend to be somewhat older, better educated and have higher incomes than average business travelers. They are also more likely to be attending a conference or convention, to be on a trip that also includes vacation time, to be away from home longer, to travel by airline and rental car and to stay in a hotel. Generally, their trips are more complex and require the knowledge and skills of travel agents.

Selected Characteristics of Travel Agent Users

	Total Business Travelers	Business Travelers Who Use Travel Agents
Age 45 or Older	31%	38%
College Graduate or More	45	53
Household Income $50,000+	23	32
Attend Conferences or Conventions	27	29
Trip Includes Vacation	29	43
Spend 5+ Nights Away	24	39
Use an Airline	42	90
Use a Rental Car	15	26
Stay in a Hotel	71	73
Spend $75+ Per Night For a Hotel	30	44

Business travelers who do not use travel agents are more likely to be travelers who use their own cars, spend fewer nights away from home and do not use airlines, rental cars or stay in hotels.

Services Offered by Travel Agents

Travel agents play a more important role for business travelers than simply booking their reservations. According to business travelers themselves, travel agents actively participated in the selection of 46% of the airlines, 39% of the rental car companies and 38% of the hotels that they booked for their clients.

Business travelers consider coordinating all the arrangements for their trips to be the most important service that travel agents provide.

Travel Agent Services Considered Important by Business Travelers

Coordinating All Travel Arrangements	91%
Finding the Right Hotel	87
Delivering Tickets and Information	87
Ability to Answer Questions	85
Saving Money on Accommodations	76
Knowledge of Hotels	73
Providing Detailed Itineraries	69
Arranging for Special Services	64

Nearly two-thirds of business travelers are very satisfied with the travel agencies they use. They rate the helpfulness and courtesy of their travel agencies above their speed, experience and efficiency.

Perhaps the strongest evidence of the value of travel agents to business travelers today is that 65% of them use the same travel agents for their pleasure travel.

Use of Corporate Travel Departments

One-fifth of the business travelers interviewed for the 1985/86 Survey of Business Travelers work for companies that have corporate travel departments or managers, many of whom book through travel agencies.

Two-thirds of these business travelers are required to use the services of their corporate travel departments for all of their business travel.

More than two-thirds of these business travelers are very satisfied with the way their travel arrangements are handled by their corporate travel departments. Only 11% are not satisfied.

Despite the satisfaction of business travelers with their corporate travel departments, 63% do not use their services for personal travel.

Approximately one-quarter of business travelers work for companies which have written travel policies. These business travelers report that the travel policies cover air travel (87%), rental cars (79%), hotels (81%) and per diem expenses (53%).

SEGMENTS OF THE BUSINESS TRAVEL MARKET

Particular segments within the travel market have distinct characteristics that identify them as potential target markets.

It is important to note that these segments are not mutually exclusive but that many business travelers are included in more than one segment.

Frequent Business Travelers

Frequent business travelers, those who take 10 or more trips per year, are 10% of all business travelers and total 3.3 million, but they account for 70 million or one-half of all business trips taken per year.

Frequent business travelers take an average of 22 trips and spend a total of 70 days -- two and one third months in total -- away from home on business trips during the year. They spend fewer nights away on each trip than other business travelers.

Frequent business travelers are a small but important target market for travel suppliers. They account for a significant portion of the revenues that airlines, rental car companies and hotels receive from business travelers.

Frequent business travelers are very likely to be upscale professionals and managers. They are often men between the ages of 35 to 44, college graduates and 43% have household incomes exceeding $50,000 a year. Frequent business travelers are more likely to be in business services and in manufacturing and high technology industries.

Selected Demographics of Frequent Business Travelers

	Total Business Travelers	Frequent Business Travelers
Men	61%	75%
Age 35-44	26	32
College Graduate or More	45	59
Professional or Managerial	26	33
Household Income $50,000+	23	43
Finance, Banking, Insurance, Real Estate and Business Services	20	24
Manufacturing and High Technology	12	15

Nearly three out of 10 frequent business travelers are sales travelers. They frequently travel to attend company meetings. They travel by airline and rental car more often than other business travelers and spend more for hotels.

Travel Activities of Frequent Business Travelers

	Total Business Travelers	Frequent Business Travelers
See Clients	13%	28%
Attend Company or Sales Meetings	16	26
Use an Airline	42	49
Use a Rental Car	15	20
Stay in a Hotel	71	76
Spend $75+ Per Night For a Hotel	30	39

In selecting airlines, rental cars and hotels for their trips, frequent business travelers are much less influenced by rates and much more influenced by frequent traveler programs than other business travelers.

Frequent business travelers are particularly important to travel suppliers who depend heavily on travel agents. A much higher proportion of frequent business travelers (44%) use travel agents each year than do all business travelers (26%).

Business Travelers in Specific Occupations

The characteristics of business travelers appear to be strongly influenced by the types of businesses in which they are employed. Business travelers in business services and manufacturing have many of the same characteristics as frequent business travelers. They tend to be upscale sales travelers and are frequent users of airlines, rental cars and hotels. They comprise 32% of all business travelers.

Selected Characteristics of Business Travelers
in Business Services and Manufacturing

	Total Business Travelers	Finance, Banking, Insurance, Real Estate and Business Services	Manufacturing and High Technology
Household Income $50,000+	23%	33%	29%
Professional, Managerial or Technical	52	60	59
Take 10+ Trips Per Year	10	13	14
See Clients	13	20	19
Use an Airline	42	47	47
Use a Rental Car	15	19	26
Stay in a Hotel	71	74	79

There are two groups of business travelers with larger concentrations of blue collar workers. These travelers are in agriculture, mining, oil, construction, transportation, communications and public utilities. They account for 16% of all business travelers.

These business travelers are primarily men with less than average educations and slighly above average incomes. They travel frequently, often using their own cars. Workers in transportation, communciations and public utilities are somewhat more likely to use airlines, rental cars and stay in hotels.

Selected Characteristics of Business Travelers in Blue Collar Occupations

	Total Business Travelers	Agriculture, Mining, Oil and Construction	Transportation, Communications and Public Utilities
Men	61%	79%	72%
Less Than College Educated	55	69	63
Blue Collar Occupations	14	48	34
Household Income $40,000+	39	42	42
Take 10+ Trips Per Year	10	11	13
Use Own Car	50	56	42
Use an Airline	42	33	39
Use a Rental Car	15	11	21
Stay in a Hotel	71	65	79

Women Business Travelers

Women comprise 39% or 12.9 million business travelers, up from 34% two years ago. Business travel by women is likely to increase significantly as more women enter the work force and attain higher positions within their companies. Three-quarters of women between the ages of 25 and 44 now work outside the home and this proportion is increasing steadily. Women became the majority of professionals in the United States during 1986.

The demographics of women business travelers are significantly different from those of men. Women business travelers tend to be less educated and have lower incomes than men. They also are more likely to have clerical or sales positions and to be in health, legal, personal and educational services.

Selected Demographics of Men and Women Business Travelers

	Men Business Travelers	Women Business Travelers
College Graduate or More	48%	41%
Household Income $50,000+	26	19
Sales or Clerical Position	15	21
Health, Legal, Personal and Educational Services	15	26

Compared with men business travelers, women business travelers take fewer trips and are more likely to attend conferences, conventions, training meetings and seminars. They are frequently accompanied by other household members and are more likely than men to include vacation or weekend time in their trips.

Travel Activities of Men and Women Business Travelers

	Men Business Travelers	Women Business Travelers
Average Number of Trips	5.1	3.3
Attend Conferences or Conventions	25%	31%
Attend Training Meetings or Seminars	23%	28%
Other Household Member on Trip	27%	34%
Trip Includes Vacation	25%	35%
Travel Over a Weekend	51%	57%

Luxury Business Travelers

An important segment of business travelers is 'luxury' business travelers. They are defined as business travelers who fly business or first class on airlines and/or stay in more expensive hotels. They comprise 17% of all business travelers.

These business travelers have better educations and incomes and are more likely to be in business services and manufacturing and high technology industries. They take more trips and are often accompanied by business associates. Their personal needs, including meals and entertainment, are well attended to. They also make greater use of travel services than other business travelers. These include airlines, rental cars, hotels and travel agents.

Selected Characteristics of Luxury Business Travelers

	Total Business Travelers	Luxury Business Travelers
College Graduate or More	45%	55%
Household Income $50,000+	23	35
Finance, Banking, Insurance, Real Estate and Business Services	20	27
Manufacturing and High Technology	12	15
Take 10+ Trips Per Year	10	14
Business Associate on Trip	36	41
Trip Includes Entertainment	34	43
Use an Airline	42	82
Use a Rental Car	15	26
Stay in a Hotel	71	90
Hotel Food/Restaurant Important	23	27
Spend $100+ Per Night For a Hotel	13	59
Use a Travel Agent For Hotel	17	28

International Business Travelers

Some 19% or 6 million business travelers travel abroad on business trips each year. Some 5% traveled outside the United States on their most recent trip. Business travelers account for one-third of all air trips abroad by U.S. citizens, according to the Air Transport Association of America.

Each international business traveler takes an average of 2 trips abroad each year. International business travelers have significantly different demographics and travel characteristics than average business travelers.

International business travelers have higher incomes and are more concentrated in the Mid-Atlantic and South Atlantic areas. They tend to work for larger companies. They are more likely to be including vacation time and also to be accompanied by others, either household members or business associates. One-third are attending conferences or conventions. Their trips last longer and include more expensive hotels that are more likely to have been booked by travel agents. International travelers use all forms of public transportation to a greater extent than domestic U.S. business travelers.

Selected Characteristics of International Business Travelers

	Total U.S. Business Travelers	International Business Travelers
Household Income $50,000+	23%	38%
Live in Mid-Atlantic or South Atlantic Area	30	45
Company Has 500+ Employees	16	30
Trip Includes Vacation	29	49
Other Household Member on Trip	30	37
Business Associate on Trip	36	41
Attend Conferences or Conventions	27	32
Spend 6+ Nights Away	24	60
Use an Airline	42	72
Use a Rental Car	15	18
Use a Bus	4	17
Use a Train	2	7
Stay in a Hotel	71	80
Spend $75+ Per Night For a Hotel	30	48
Use a Travel Agent For Hotel	17	34

APPENDIX

Methodology

The 1985/86 Travel Weekly/US Travel Data Center Survey of Business Travelers was based on data collected each month beginning September 1985 by telephone interviews with a national probability sample of 1,500 adults representing the total adult, civilian, non-institutional population of the contiguous United States.

This survey was conducted in conjunction with the US Travel Data Center's National Travel Survey. It was conducted for the US Travel Data Center by RL Associates of Princeton, New Jersey, using its national telephone probability sample.

The sample design was a two-stage, statified, internally replicated national probability sample. The first stage of stratification was the 9 census regions in the contiguous United States, omitting Hawaii and Alaska, as defined by the U.S. Bureau of the Census. The second stage was Areas of Dominant Influence (ADIs) as defined by Arbitron within each of the census regions.

A new sample was drawn each month. However, because the primary and secondary sampling units were the same each month, the successive samples were "matched", thus improving the trendability of the data.

Within each ADI, counties were arrayed by population and within each county, minor civil divisions (MCDs) were arrayed in terms of population. From the listing for each region, systematic random sampling was used to select a sample of MCDs.

A total of 500 sampling units was chosen consisting of 8 separate matched samples of 62 or 63 sampling units each. Each of these samples was itself a national probability sample. For each of the 500 minor civil divisions (MCDs) selected, the actual sampling point was defined as the largest telephone book containing the minor civil division.

An equal number of telephone numbers was selected from each telephone book in such a way that every number listed in the book had an equal chance of being selected. These numbers formed the base for the sample, but since they were listed numbers, they were not used for the actual calling. Rather, a random digit was systematically added to the listed numbers selected so as to give a random sample of both listed and unlisted numbers.

This procedure gave every telephone household a known and approximately equal chance of selection into the sample. To extend the sampling procedure to individuals, a systematic random respondent selection procedure was employed. In this sample, potentially heavier travelers within households were over-sampled.

In projecting results, an unequal probability of selection of individuals was corrected by weighting all respondents where the weight given each individual was inversely proportional to the probability of selection of the individual. Weighting was also done when necessary by demographic factors to compensate for any random variation in response.

A national probability sample of at least 1,500 U.S. adults was contacted by telephone each month. Respondents were asked if they had traveled 100 miles or more one way for business or convention purposes in the past 12 months. Those identified as business travelers were asked to report the number of business trips taken in the past 12 months and were asked a number of questions concerning their most recent business trip. Demographic information was collected from all identified business travelers.

This methodology produced data on approximately 300 business travelers per month or 3,752 over the 12 month period from September 1985 to August 1986. Their responses form the basis of this report.

Census Areas

New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Mid-Atlantic	New Jersey, New York, Pennsylvania
South Atlantic	Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
East South Central	Alabama, Kentucky, Mississippi, Tennessee
West South Central	Arkansas, Louisiana, Oklahoma, Texas
East North Central	Indiana, Illinois, Michigan, Ohio, Wisconsin
West North Central	Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
Mountain	Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
Pacific	California, Oregon, Washington, (Alaska and Hawaii as destinations)

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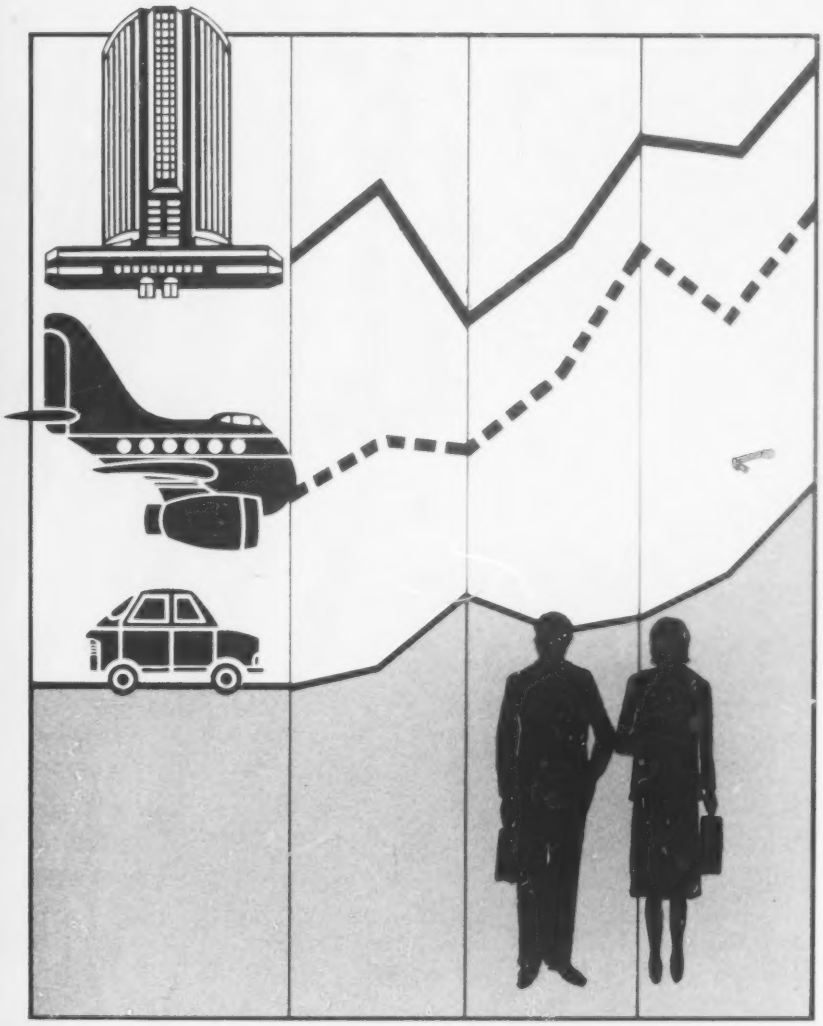
1987 Survey of Business Travelers



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1987 Survey of Business Travelers

Sponsored by Murdoch Magazines
Bill Niles, Research Director

Conducted by the US Travel Data Center
Suzanne Cook, Director

Price: Eighty-five Dollars
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The US Travel Data Center is an affiliate of the Travel Industry Association of America

Murdoch Magazines

Murdoch Magazines publishes six publications in the travel industry. They are Travel Weekly, Hotel & Travel Index, the Official Hotel & Resort Guide, Meetings and Conventions Magazine, the Official Meeting Facilities Guide and the World Travel Directory.

Murdoch Magazines regularly conducts major research studies for the travel industry. These include Travel Weekly's 1987 U.S. Travel Agency Market, Hotel & Travel Index's 1987 U.S. Travel Agent Usage Study and Meetings and Conventions Magazine's 1987 Meetings Market Study. Murdoch Magazines is located at 500 Plaza Drive, Secaucus, N.J. 07096.

US Travel Data Center

The US Travel Data Center is the national, non-profit center for travel and tourism research. Since its establishment in 1973, the Data Center has devoted itself to advancing the common interests of the travel industry and the public it serves by encouraging, sponsoring and conducting statistical, economic, and scientific research concerning travel, the travel industry and travel-related industries.

The US Travel Data Center is an affiliate of the Travel Industry Association of America (TIA), the national, non-profit association representing all components of the United States travel industry. The Data Center is located at Two Lafayette Centre, 1133 21st Street, N.W., Washington, D.C. 20036.

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EXECUTIVE SUMMARY

* Thirty-five million U.S. adults took a record number of 158 million business trips in 1987.

* Growth in business travel outpaced other types of travel in 1987, increasing 13 percent from 140 million business trips in 1986.

* Business trips accounted for 25 percent of all U.S.trips in 1987, up from 19 percent in 1982.

* The fastest growing segments of business travelers in 1987 included women, adults between the ages of 35 to 44 and employees in the service industries.

* Business travelers traveled more frequently in 1987. Frequent business travelers have become an increasingly valuable market to travel suppliers.

* The number of business meetings continued to increase and attracted a record number of business travelers.

* More business travelers used airlines than ever before. Business air trips increased 90 percent from 1982 to 1987.

* The growth in business air trips helped stimulate a 40% increase in the use of rental cars by business travelers from 1982 to 1987.

* Business trips involving hotel stays passed the 100 million mark for the first time in 1987. More than 7 out of every 10 business trips included the use of hotels.

* Nearly one-third of U.S. business travelers used travel agents for their travel arrangements in 1987. More business travelers used travel agents and corporate travel managers than in the previous year.

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INTRODUCTION

The rate of growth of business travel accelerated in 1987. Americans took 157.5 million business trips during the year, an increase of 13 percent, more than twice the rate of growth in business trips from 1985 to 1986.

Since the 1981-82 recession, business travel has grown faster than all other types of travel and now accounts for one-fourth of travel in the U.S.

The Survey of Business Travelers has been tracking the growth and trends in business travel since September 1985. Conducted by the US Travel Data Center, the survey is sponsored by Murdoch Magazines.

The survey is conducted by telephone with a national probability sample of 1,500 U.S. adults each month. Business travelers are identified as those who have taken one or more business trips in the previous twelve months. Over the 12-month period ending January 1988, more than 3,600 business travelers gave detailed information about trips they had taken during the year.

The 1987 Survey of Business Travelers is the second report of the survey's finding. It summarizes results of the survey in 1987, including the most important segments of business travelers.

The US Travel Data Center also conducts the National Travel Survey, the monthly telephone survey measuring the volume and characteristics of travel by U.S. residents. Estimates of the volume of business travel for 1987 in this report are derived from the National Travel Survey, and include travel from January to December of 1987. Measures of business travel are also published in the 1987 National Travel Survey Full Year Report. Some characteristics of business travel vary in the two reports due to differences in the survey methodologies.

OVERVIEW OF BUSINESS TRAVEL

Total travel by Americans reached an all-time high of 636.3 million trips in 1987, according to the US Travel Data Center's National Travel Survey. A trip is defined as one or more household members traveling together at least 100 miles away from home, and returning.

The number of total trips taken in 1987 increased 7 percent over 1986. 1987 was the third consecutive year of growth since the decline in travel volume following the 1981-82 recession.

Not all types of trips have increased at the same rate. In the past year, business trips increased by 13 percent while pleasure trips increased 7 percent.

1986-87 Growth in U.S. Trips

(Millions)

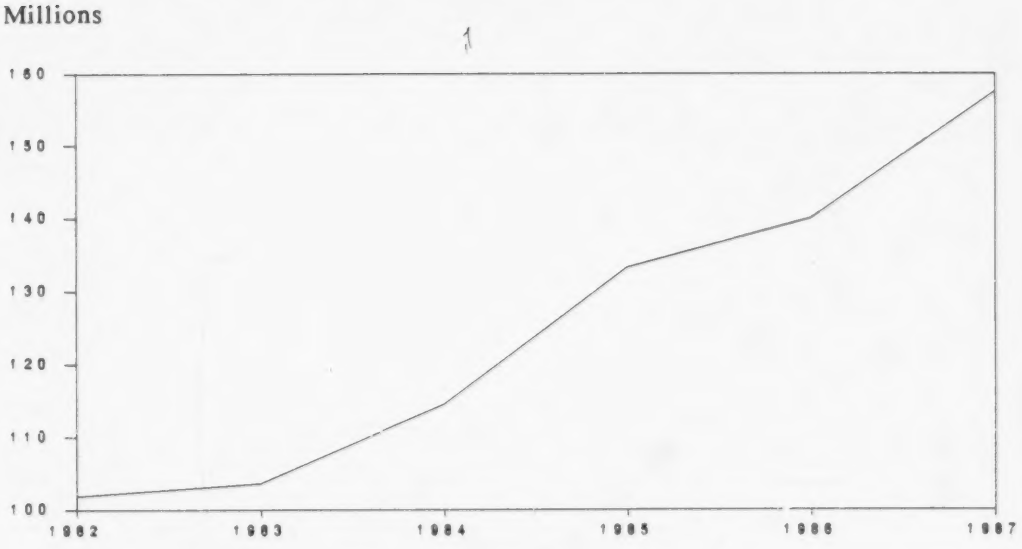
	1986	1987	Percent Change
Total Trips	592.3	636.3	+ 7
Pleasure Trips	415.2	444.9	+ 7
Business Trips	140.0	157.5	+13

Source: National Travel Survey

The rate of growth of business travel in the second half of 1987 was the same as in the first half of 1987, with no slowdown in November and December following the October stock market "crash."

Following the recession in 1981-82, business travel remained unchanged in 1983. With economic recovery underway, business trips posted strong gains of 11 percent in 1984 and 16 percent in 1985. Growth in 1986 slowed somewhat to 5 percent but accelerated to 13 percent in 1987.

Volume of Business Trips
1982-87



Source: National Travel Survey

The growth in business trips reflects increases in both the number of Americans who travel for business and the number of business trips they take during the year.

The growth in business trips since 1982 has outpaced that of pleasure trips. Business trips have increased 55 percent from their 1982 level, compared with a 20 percent growth in pleasure trips. Business travel has also registered larger percentage gains than pleasure travel in four of the last five years.

1982-87 Business and Pleasure Trips

	Business Trips		Pleasure Trips	
	Millions	% Change	Millions	% Change
1987	157.5	+13	444.9	+ 7
1986	140.0	+ 5	415.2	+ 8
1985	133.3	+16	384.4	+10
1984	114.5	+11	350.7	- 6
1983	103.6	+ 2	371.5	NC
1982	101.9	-12	371.1	- 6

Source: National Travel Survey

Business Travel Trends

Changes in the characteristics of business travelers and their travel help to explain the current growth and indicate future trends.

Three segments of business travelers are increasing both in size and in the frequency of travel: women business travelers; business travelers between the ages of 35 and 44; and business travelers in the growing service industries.

The average number of trips taken each year has increased among all business travelers and especially among "frequent business travelers" who take 10 or more trips per year.

International business travel has also increased and will continue to do so despite the decline in the value of the dollar.

Meetings, which are the purpose for the largest number of business trips, exceeded one million for the first time in 1987, according to Meetings & Conventions Magazine's 1987 Meetings Market Study.

The increased availability and use of travel services have also contributed to changes in business travel. An expanded offering of air flights, rental cars and hotels has encouraged more business travel and altered the nature of business trips.

Business trips taken by air increased 90 percent in the five years from 1982 to 1987. In 1987 more than 40 percent of all business trips were by air compared with 35 percent in 1982. The greater use of airlines has resulted in trips that are longer in distance.

Importance of Business Travelers

Some 35 million U.S. adults took business trips in 1987, according to the 1987 Survey of Business Travelers. Business travelers accounted for 157.5 million or 25 percent of the total 636.3 million trips taken in 1987.

Business trips account for 25 percent of all trips, but a significantly higher percent of trips that involve the use of travel services. Business trips account for 42 percent of all airline trips, 47 percent of all rental car trips and 37 percent of trips involving hotels.

Business Travel Share of Total Trips in 1987

(Millions)

	Business Trips	Total Trips	Percent Share
Total Trips	157.5	636.3	25
Airline Trips	67.7	160.7	42
Rental Car Trips	29.9	63.6	47
Hotel Trips	111.8	300.8	37

Source: National Travel Survey

Business travelers use travel services more often than pleasure travelers, and this use is less dependent on changing economic conditions. They have become an increasingly important source of revenue for many travel suppliers and account for a major source of income.

Business travelers spent an estimated $75 billion on their trips during 1987. According to Travel Weekly's 1987 Corporate Travel Survey, more than half was spent on airlines, 21 percent was spent on hotels and the remainder was evenly divided between meals/entertainment and cars.

Runzheimer International reported that business travel costs increased 17 percent in 1987 with the largest increase occurring in air travel (+31 percent), followed by car rentals (+8 percent), hotels (+8 percent) and meals (+1 percent).

PROFILE OF BUSINESS TRAVELERS

One out of every five adult U.S. residents or 35.3 million took at least one business trip of 100 miles or more each way during 1987. The same number of adults took business trips in 1986.

Any market of this size encompasses a wide variety of people, including adults in all age groups, educational and income levels, occupations and areas of the country. A business traveler can be a factory worker on the way to a new plant, a young woman on a sales trip, an older executive checking on an investment, an itinerant musician or anyone whose trip is to take care of "business."

The amount of business travel can vary anywhere from a single yearly trip for a job interview to frequent travel by a salesperson.

Business travelers are not a homogeneous group but are millions of individuals with distinct characteristics. Despite these differences, however, business travel is more common among some segments of the population. These include people between the ages of 25 to 44 and those with better educations and higher incomes.

Demographics of Business Travelers

Six out of 10 business travelers are men. Six out of 10 are also between the ages of 25 to 44.

More than four out of 10 business travelers are college educated. The same proportion has a household income of $40,000 or more.

About one-fourth (27 percent) of business travelers have household incomes of $50,000 or more. The same proportion (27 percent) are in professional or managerial occupations. It is important to note that those who have lower incomes and lower level jobs account for the majority of all business travelers.

The largest single group of business travelers, 7.4 million or 21 percent, are in finance, banking, insurance, real estate and business services.

More business travelers live in the Mid-Atlantic, South Atlantic, East North Central and Pacific regions than in the other five regions of the U.S.

Demographics of Business Travelers

	Millions	Percent
Total Business Travelers	35.3	100
Sex		
Men	21.9	62
Women	13.4	38
Age		
18-24	3.9	11
25-34	11.3	32
35-44	9.9	28
45-54	5.3	15
55-64	3.2	9
65 or Older	1.7	5
Median Age		38 Years
Marital Status		
Married	21.5	61
Not Married	13.8	39
Education		
Some College or Less	19.8	56
College Graduate or More	15.5	44
Household Income		
$50,000 or More	9.5	27
$40,000-$50,000	5.3	15
$30,000-$40,000	7.4	21
Less Than $30,000	13.1	37
Median Household Income		$35,455
Occupation		
Professional or Managerial	9.5	27
Lower Level Technical or Managerial Occupations	9.9	28
Clerical or Sales	5.3	15
Blue Collar	5.6	16
Self Employed	10.6	30

Demographics of Business Travelers
(Continued)

	Millions	Percent
Industry		
Finance, Banking, Insurance, Real Estate and Business Services	7.4	21
Health, Legal, Personal and Educational Services	6.4	18
Wholesale and Retail Trade	5.3	15
Manufacturing and High Technology	4.2	12
Public Administration and Government	3.5	10
Agriculture, Mining, Oil and Construction	3.9	11
Transportation, Communications and Public Utilities	2.5	7
Number of Employees in Company		
Fewer Than 100	21.9	62
100 to 499	7.1	20
500 to 999	2.1	6
1,000 or More	4.2	12
Regions of Residence*		
New England	1.8	5
Mid-Atlantic	5.0	14
South Atlantic	6.4	18
East South Central	2.1	6
West South Central	4.2	12
East North Central	5.3	15
West North Central	2.8	8
Mountain	2.8	8
Pacific	4.9	14
Household Characteristics		
Two Persons or Less	17.7	50
One Person Household	7.4	21
Three Persons or More	17.7	50
Child(ren) in Household	14.8	42
One Wage Earner in Household	15.2	43
Two or More Wage Earners in Household	18.0	51

* Definition of regions included in the Appendix

Source: Survey of Business Travelers

Three groups of business travelers have grown significantly. Women business travelers now number 13.4 million or 38 percent of all business travelers, up from 34 percent in 1985. Business travelers between the ages of 35 to 44 increased from 25 percent to 28 percent of all business travelers and totaled nearly 10 million in 1987. Business travelers in finance, banking, insurance, real estate and business services increased from 18 percent of all business travelers in 1985 to 21 percent in 1987.

Comparison of Business and Pleasure Travelers

Americans who travel on business are more upscale than those who take pleasure trips. They are more likely to be men, to be between the ages of 25 to 44, to be better educated, and to have higher incomes and higher level occupations than pleasure travelers.

Demographics of Business and Pleasure Travelers

	Business Travelers	Pleasure Travelers
Total	100%	100%
Sex		
Men	62	48
Women	38	52
Age		
18-24	11	16
25-34	32	27
35-44	28	19
45-54	15	13
55-64	9	12
65 or Older	5	13
Median Age	38 Years	38 Years
Marital Status		
Married	61	57
Not Married	39	43
Education		
Some College or Less	56	74
College Graduate or More	44	26

Demographics of Business and Pleasure Travelers
(Continued)

	Business Travelers	Pleasure Travelers
Household Income*		
$50,000 or More	27%	17%
$40,000-$50,000	15	12
$30,000-$40,000	21	18
Less Than $30,000	37	53
Median Household Income	$35,455	$28,636
Occupation		
Professional or Managerial	27	15
Lower Level Technical or Managerial Occupations	28	16
Clerical or Sales	15	14
Blue Collar	16	15
Retired	4	16
Region of Residence**		
New England	5	5
Mid-Atlantic	14	13
South Atlantic	18	17
East South Central	6	7
West South Central	12	11
East North Central	15	16
West North Central	8	9
Mountain	8	7
Pacific	14	15
Household Characteristics		
Two Persons or Less	50	53
One Person Household	21	21
Three Persons or More	50	47
Child(ren) in Household	42	37
One Wage Earner in Household	43	37
Two or More Wage Earners in Household	51	46

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* Adjusted for non-response

** Definition of regions included in the Appendix

Sources: Business Travelers - Survey of Business Travelers
Pleasure Travelers - National Travel Survey

CHARACTERISTICS OF BUSINESS TRIPS

Thirty-five million business travelers took a total of 157.5 million business trips in 1987. They took an average of 4.5 trips each, up from 4.0 in 1986. More than half (54 percent), took only one or two trips during the year, accounting for 18 percent of all business trips.

One-third of business travelers took three to nine trips and 12 percent took 10 or more trips, an increase from 10 percent in 1986. Frequent business travelers, those who took 10 or more trips, accounted for nearly half (48 percent) of all business trips.

Number of Business Trips Taken in the Past Year

	Business Travelers		Business Trips	
	Millions	Percent	Millions	Percent
1-2	19.0	54	28.3	18
3-9	12.0	34	53.6	34
10 or More	4.3	12	75.6	48
Total	35.3	100	157.5	100

Average Trips Per Business Traveler 4.5

Sources: Business Travelers - Survey of Business Travelers
Business Trips - National Travel Survey

Frequent business travelers are more likely than other business travelers to be men, have higher incomes, be on sales or consulting trips and be traveling by airline and rental car. Frequent business travelers took an average of 18 trips in 1987.

Less frequent business travelers are more likely to be women, to attend meetings and to combine business with vacation on their business trips.

The majority of business travelers travel alone. Fewer than one-third are accompanied by either other business associates or other household members. The average party size of a business trip is 1.3 persons compared to 2.0 persons on a pleasure trip.

Nights Spent on Business Trips

Nine out of 10 business travelers stay overnight on an average business trip. More than half (54 percent) spend one to three nights away. The average number of nights spent away on each trip in 1987 was 4.0, down from 4.2 nights in 1986.

Nights Spent on Most Recent Business Trip

No Nights	9%
1 Night	14
2 or 3 Nights	40
4 or 5 Nights	19
More Than 5 Nights	17
Average Nights Per Trip (If Any)	4.0

Source: Survey of Business Travelers

Pleasure travelers spent more nights away from home than business travelers, an average of 5.4 nights per trip in 1987.

Business travelers who spend the most nights away are more likely to be traveling outside the U.S. and to be using airlines and rental cars.

Business travelers who return home on the same day are more likely to be salespersons traveling in their own cars.

The average business trip in 1987 covered 1,190 miles, an increase of 10 miles from 1986. Pleasure trips averaged 970 miles in 1987.

Most business travelers (73 percent) use hotels or motels for their lodging and spend an average of four nights. Another 15 percent stay with friends or relatives. Business travelers who use other accommodations spend the most nights away.

Type of Lodging Used on Most Recent Business Trip

	Percent	Average Nights
Hotel or Motel	73	4.0
Homes of Friends or Relatives	15	4.4
Apartments/ Condominiums/Other	3	5.3
No Overnight Stay	9	-

Source: Survey of Business Travelers

Destinations Visited on Business Trips

More than three-fourths of business travelers visited only one place on their most recent business trip. An average of 1.2 different places were visited by overnight travelers.

Number of Places Visited on Most Recent Business Trip

	Percent
No Overnight Destination	9
1 Place	76
2 Places	9
3 or More Places	6
Average Places Visited (If Any)	1.2

Source: Survey of Business Travelers

Business travelers who visit many destinations are more likely to travel outside the U.S. and to use airlines and rental cars.

Nearly half (48 percent) of the business travelers who go to a destination are visiting it for the first time. Business travelers report that one-fourth of their yearly trips are to places they have not been to on business trips before.

Business travelers who have not been to a destination before are more likely to be younger, to attend meetings, to travel by airline and use the services of a travel agent.

More business trips are taken to the South Atlantic than to any other region, followed by the Pacific and East North Central regions. Five percent of business travelers traveled abroad in 1987, up from 4 percent in 1986.

The Mid-Atlantic region produces many more business trips than it receives, while the South Atlantic and Mountain regions receive many more business trips than they produce.

Origins and Final Destinations of Business Travelers

Census Region*	Origin	Final Destination	Net Outflow (-) or Net Inflow (+)
New England	5%	4%	- 1%
Mid-Atlantic	14	10	- 4
South Atlantic	18	21	+ 3
East South Central	6	6	NC
West South Central	12	10	- 2
East North Central	15	13	- 2
West North Central	8	6	- 2
Mountain	8	10	+ 2
Pacific	14	15	+ 1
Outside U.S.	-	5	+ 5

* Definition of regions included in the Appendix

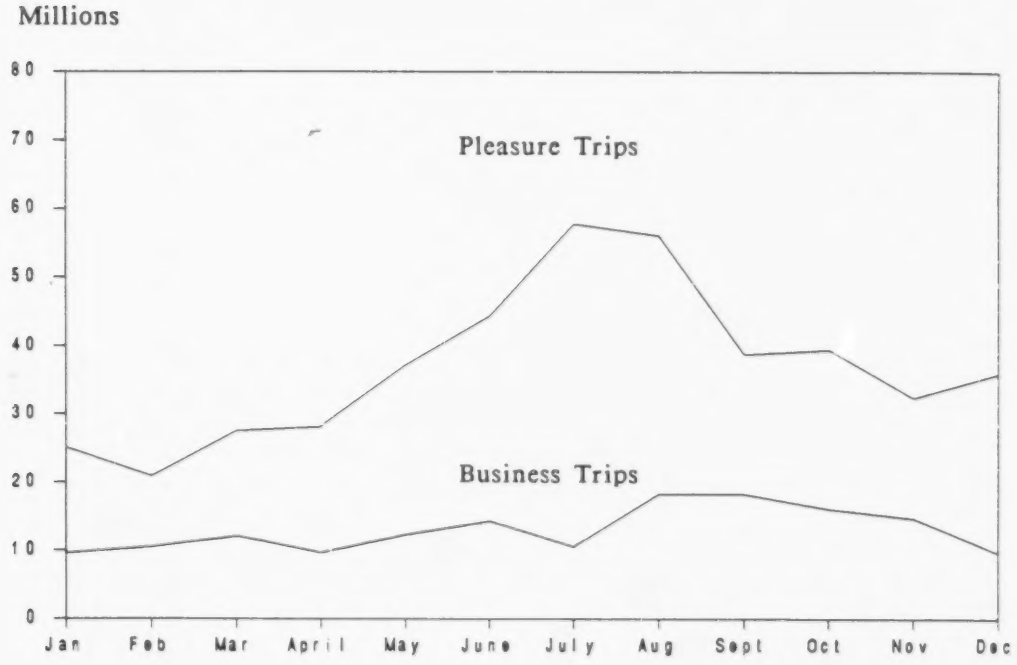
Source: Survey of Business Travelers

Seasonality of Business Trips

Business trips are taken fairly regularly throughout the year. Except for the summer months, when more business travelers combine business and vacation in one trip, business travel shows little seasonal variation.

Pleasure trips, on the other hand, increase substantially in the summer vacation months and fall off sharply in September.

1987 Business and Pleasure Trips by Month



Source: National Travel Survey

Travel suppliers can count on a steady volume of business travelers throughout the year in contrast with the seasonal swings of the pleasure market.

PURPOSES OF BUSINESS TRIPS

The reasons for taking business trips are almost as diverse as the people who take them. Many trips fall outside the standard definitions of conducting business.

Business trips are classified into seven categories in order to encompass the wide variety of purposes.

The largest group of business travelers (41 percent) attended meetings, conventions or trade shows on their most recent trips. Two smaller groups of 13 percent each traveled to consult or offer professional advice or to take care of personal business.

Twelve percent sold a product or service, seven percent were involved in managing their companies, five percent performed a physical function and nine percent traveled for other reasons.

Purposes of Trips Taken by Business Travelers

	Most Recent Trip	Took Trip in Past 12 Months	
	Percent	Percent*	Millions
Attend a Meeting, Convention or Trade Show	41	63	22.2
Consult or Offer Professional Advice	13	32	11.3
Personal Business	13	25	8.8
Sell a Product or Service	12	27	9.5
Manage the Company	7	36	12.7
Perform a Physical Function	5	14	4.9
Other Purpose	9	11	3.9

* Column adds to more than 100% due to multiple responses.

Source: Survey of Business Travelers

As the preceding chart shows, business travelers took many different kinds of trips in the past 12 months. More business travelers (63%) attended a meeting, convention or trade show during the year than did so on their most recent business trip (41%).

Trips to sell products or services were taken more frequently by business travelers than other kinds of trips. Trips for personal business and to attend meetings, conventions or trade shows were taken least frequently.

The most business trips were taken in order to manage companies, to attend meetings, to consult and to sell products or services.

Total Yearly Business Trips by Purpose of Trips

	Business Travelers in Millions	Average Number of Trips Per Year	Business Trips in Millions*
Attend a Meeting, Convention or Trade Show	22.2	2.7	60.0
Consult or Offer Professional Advice	11.3	4.9	55.4
Personal Business	8.8	2.5	22.1
Sell a Product or Service	9.5	5.4	51.3
Manage the Company	12.7	4.8	61.0
Perform a Physical Function	4.9	4.7	23.0
Other	3.9	3.8	14.8

* Column adds to more than 157.5 million trips because business trips taken for multiple purposes are included

Source: Survey of Business Travelers

Meetings and Conventions

One million off-premise meetings were held in the U.S. in 1987, an all-time record. Total yearly expenditures for meetings have grown to $32 billion, according to Meetings and Conventions Magazine's 1987 Meetings Market Study.

Total attendance at off-premise meetings reached 74 million. Nearly two-thirds or 47 million attended corporate meetings and 27 million attended major conventions and other association meetings.

Business travelers who travel in order to attend meetings take few business trips for other purposes during the year, according to the 1987 Survey of Business Travelers. Meeting attendees are more likely than other business travelers to be women and to be employed in health, legal, personal and educational services.

Combining Business and Vacation

One-third of business trips also include some vacation. This growing trend is the result of several factors. The increased desire to take more and shorter vacations makes it convenient to combine vacations with business trips. Active professionals, especially working couples, often cannot schedule and take long vacations. Many business travelers also add vacation days to their trips when they find themselves in resort areas. Business travelers are more likely to combine business and vacation during the summer months.

Nearly half of business travelers combine business with pleasure or vacation on at least one business trip during the year. One out of four plan business trips to places where they can also vacation and 28 percent extend business trips into long weekends for pleasure.

Business travelers who are most likely to combine business and vacation are older, have lower household incomes and are self employed. They travel infrequently and generally use their own cars.

USE OF TRANSPORTATION BY BUSINESS TRAVELERS

The private car is the most widely used means of transportation on business trips. Nearly one half (48 percent) or 16.9 million business travelers used their own cars on their most recent business trip.

Fewer business travelers, 42 percent or 14.8 million, used airlines and 15 percent or 5.3 million used rental cars. Rental cars are more often used with airlines rather than as the primary means of transportation.

Types of Transportation Used on Most Recent Business Trip

	All Types Used*	Primary Type Used
Own Car	48%	46%
Airline	42	38
Rental Car	15	6
Taxi	4	2
Bus	3	2
Train	1	1
Other	6	5

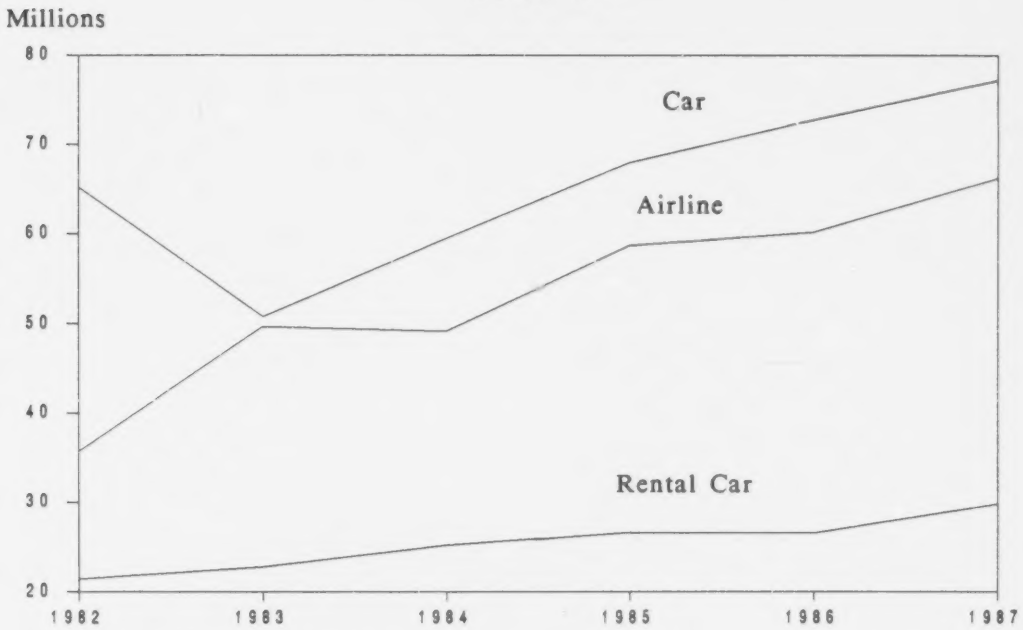
* Column adds to more than 100% due to multiple responses

Source: Survey of Business Travelers

According to the National Travel Survey, the use of cars for business trips declined from 64 percent of all business trips in 1982 to 50 percent in 1987. During the same period, the percent of business trips involving airlines has grown from 35 percent to 43 percent.

More business trips are made by car than by airline but the gap has narrowed since 1982. Business trips by airline increased dramatically from 35.7 million in 1982 to 67.7 million in 1987. During the same period, business trips which included the use of rental cars increased from 21.4 million to 29.9 million.

Volume of Business Trips by Transportation Used 1982-87



Source: National Travel Survey

Business travelers use their own cars for trips less than pleasure travelers. Conversely, they are more likely to use airlines and rental cars than pleasure travelers, making them particularly valuable to these travel suppliers.

Use of Transportation by Business and Pleasure Travelers

	Business Travelers	Pleasure Travelers
Use Own Car	48%	65%
Use an Airline	42	22
Use a Rental Car	15	8

Sources: Business Travelers - Survey of Business Travelers
Pleasure Travelers - National Travel Survey

Use of Own Cars

Business travelers who use their own cars tend to do so exclusively. Fewer than one-third use an airline or rent a car on any of their business trips during the year.

Business travelers who use their own cars have distinctly different demographics and travel characteristics than those who use airlines and rental cars.

Private car users are more likely to be older, less educated and blue collar workers in smaller companies.

Demographics of Business Travelers by Type of Transportation Used on Most Recent Trip

	Use Own Cars	Use Airlines	Use Rental Cars
Age 45 or Older	33%	30%	24%
High School or Less	45	26	23
Household Income Under $30,000	45	25	26
Blue Collar	18	12	12
Self Employed	34	26	27
Company With Under 100 Employees	70	53	54

Source: Survey of Business Travelers

Business travelers who use their own cars tend to travel less frequently, spend fewer nights away, travel in the South and Midwest and often bring household members along for vacation.

Travel Characteristics of Business Travelers
by Transportation Used on Most Recent Trip

	Use Own Cars	Use Airlines	Use Rental Cars
Take One or Two Trips Per Year	58%	50%	47%
Spend Fewer Than Two Nights Away	31	15	11
Have Visited Place Before	58	45	55
Other Household Member on Trip	38	21	22
Destination in South*	43	32	35
Destination in Midwest**	21	16	13
Also a Vacation Trip	27	21	20
Use a Hotel	66	80	87

*South Atlantic, East and West South Central regions

**East and West North Central regions

Source: Survey of Business Travelers

Use of Airlines

The Air Transport Association of America reported that airline passengers in 1987 totaled 450 million. Airline passengers have increased an average of nine percent each year since 1982. The Air Transport Association's 1987 Air Travel Survey also reported that 31 percent of the airline passengers in 1987 were on business and that they accounted for 48 percent of the total airline trips.

According to the US Travel Data Center's National Travel Survey, business airline trips increased 90 percent from 35.7 million trips in 1982 to 67.7 million trips in 1987. Some 43 percent of all business trips in 1987 involved airlines, compared with 35 percent in 1982.

1982-87 Airline Business Trips

(Millions)

	1982	1983	1984	1985	1986	1987
Total Business Trips	101.9	103.6	114.5	133.3	140.0	157.5
Airline Business Trips	35.7	49.7	49.2	58.7	60.2	67.7
Percent of Total	35%	48%	43%	44%	43%	43%

Source: National Travel Survey

The use of airlines for business travel continues to grow despite problems with airport congestion, flight delays and inconveniences caused by routing through hubs. Nearly 30 percent of business travelers reported that they encountered delays on their most recent trips.

Increases in flights, commuter services and better aircraft, along with the availability of discounts, have stimulated substantially greater use of airlines by business travelers and will continue to do so.

Memberships in frequent flyer programs have also increased dramatically. In 1987 six million business travelers belonged to frequent flyer programs, up from four million in 1986. Seventeen percent of all business travelers belong to these programs. A higher percent of frequent business travelers, 43 percent, belong. Membership in frequent flyer programs, particularly during triple mileage promotions, has become an increasingly important factor in selecting airlines.

Business travelers who use airlines are more upscale, take more trips, spend more nights away and use hotels more than other business travelers.

Nearly one-fourth (23 percent) of airline business travelers use a rental car on an average trip. Nearly half (48 percent)used a rental car on one or more business trips during the year and they used them on nearly half (47 percent) of their trips.

Similar to business travelers who use their own cars, airline business travelers prefer to use their chosen means of transportation for the majority of their trips. They use airlines for 62 percent of their trips. Only 26 percent used their own car on a business trip during the year.

Use of Rental Cars

There are an estimated 5,000 car rental companies operating at 20,000 locations in the U.S. Despite the domination of the market by the four largest rental car agencies, there is fierce competition for the business traveler.

According to the US Travel Data Center's National Travel Survey, the number of business trips which included the use of rental cars increased 40 percent from 21.4 million in 1982 to 29.9 million in 1987. The percent of business trips that involved rental cars declined slightly from 21 percent to 19 percent over this five year period.

1982-87 Rental Car Business Trips

(Millions)

	1982	1983	1984	1985	1986	1987
Total Business Trips	101.9	103.6	114.5	133.3	140.0	157.5
Rental Car Business Trips	21.4	22.8	25.2	26.7	26.6	29.9
Percent of To al	21%	22%	22%	20%	19%	19%

Source: National Travel Survey

Two and one-half million or 7 percent of business travelers belong to frequent car rental programs, up from two million or 6 percent in 1986. Twenty percent of frequent business travelers belong to frequent car rental programs.

Business travelers who use rental cars are more likely to be younger (age 25-44), upscale, employed by large manufacturing companies, frequent travelers and traveling with business associates.

Nearly two-thirds (64 percent) of business travelers who use rental cars on a trip also use an airline. Of all business travelers who use rental cars on a trip, fewer than half use them as their primary method of transportation.

Over a year, nearly all (93 percent) business rental car users also use an airline for one or more trips. Only 20 percent use their own cars for business trips. During this same period they use rental cars for more than half and airlines for nearly 60 percent of their business trips.

USE OF HOTELS BY BUSINESS TRAVELERS

Laventhol & Horwath estimates U.S. hotel sales for 1987 at $45.9 billion, an increase of $4.4 billion or 11 percent over 1986. The occupancy rate in 1987 increased marginally from 64.7 percent to 65.6 percent.

More business travelers use hotels than any other travel service. Twenty-nine million or 83 percent of all business travelers stayed in hotels in 1987, compared with 21.9 million who used airlines and 14.5 million who rented cars.

Individual business travelers, government employees and conference attendees account for 60 percent of all U.S. hotel guests, according to Laventhol & Horwath.

Seven out of 10 business travelers (73 percent) or 26 million stay in hotels or motels on an average trip. That is 12 million more than use airlines and 21 million more than use rental cars on an average trip.

According to the US Travel Data Center's National Travel Survey, business trips involving the use of hotels increased 61 percent from 69.3 million in 1982 to 111.8 million in 1987. In 1982, 68 percent of all business trips involved the use of hotels. In 1987, 71 percent of all business trips included hotel stays.

1982-87 Hotel Business Trips

(Millions)

	1982	1983	1984	1985	1986	1987
Total Business Trips	101.9	103.6	114.5	133.3	140.0	157.5
Hotel Business Trips	69.3	74.6	80.2	82.6	98.0	111.8
Percent of Total	68%	72%	70%	62%	70%	71%

Source: National Travel Survey

Business travelers who use hotels are more likely to also use airlines and rental cars and have travel agents make their reservations. About half of the business travelers who use hotels on an average trip also use airlines and rental cars. The other half use their own cars or other means of transportation.

Nearly twice as many business travelers as pleasure travelers use hotels. Nearly three-quarters (73 percent) of business travelers use a hotel on an average trip. Only 42 percent of pleasure trips, on the other hand, involve the use of a hotel.

Length of Hotel Stays

Nearly all (91 percent) business travelers stay overnight on a business trip. Eight out of 10 overnight business travelers stay in a hotel or motel rather than with friends and relatives or in some other type of lodging.

Business travelers spent an average of four nights in a hotel on each trip during 1987, the same as in 1986. Each business traveler visited an average of 1.2 overnight destinations on each trip and spent an average of three nights at each destination.

There is an important segment of business travelers who spend more than five nights in a hotel on an average trip. These hotel guests number six million and comprise 17 percent of all business hotel guests.

Many of these long term hotel guests are on personal business or on a trip in order to perform a physical function, such as construction work. Half are on special assignments and very few (4 percent) are being relocated.

More than half (57 percent) of long-term hotel guests are visiting their destinations for the first time. Seven out of 10 arrived by airline or rental car. Nearly one-fourth (23 percent) used a travel agent to help them select and book their hotels.

Types of Hotels Used

More than half (53 percent) of business travelers stayed in an urban hotel on their most recent trip. The second largest group, 18 percent, stayed in a suburban hotel. Urban hotels are preferred by airline users. Suburban hotels are somewhat more popular among frequent business travelers.

Types of Hotels Used by Business Travelers

	Total	Frequent Business Travelers	Use Airlines
Urban	53%	52%	59%
Suburban	18	20	14
Airport	11	9	14
Highway	8	7	3
Resort	8	8	7
Other	2	4	3

Source: Survey of Business Travelers

Twenty-one percent of business travelers reported spending more than $85 per night for hotel or motel accommodations. Frequent and airline business travelers spend more than average for their rooms while business travelers using their own cars spend less. Travel agents are used to book more expensive hotel rooms.

Amount Spent Per Night For Hotels

Less Than $45	24%
$45-59	24
$60-84	21
$85-99	8
$100 or More	13
Don't Know/No Answer	10

Source: Survey of Business Travelers

Eight out of 10 business travelers expressed satisfaction with the hotels where they stayed on their most recent trips. Only three percent indicated they were not satisfied.

Four out of 10 business travelers frequently or occasionally stay at different hotels when they return to the same destinations. The main reason is that their original choices are not available. Other reasons are that business travelers want to try other hotels, to be in better locations or to pay less expensive rates. Very few switch hotels because they were dissatisfied.

Fewer than 25 percent of business travelers always stay at the same hotels when they return to a destination. Only 20 percent use the same hotel chain most of the time when they travel on business.

Business travelers who belong to frequent hotel guest programs increased from 6 percent or 2.1 million in 1986 to 7 percent or 2.5 million in 1987. Twenty-four percent of frequent business travelers are members of frequent hotel guest programs. Frequent guest members belong to an average of two programs.

Only 30 percent of frequent guest program participants say their memberships are very influential in selecting hotels for business trips. More than one-third (36 percent) say they are not very influential.

Few frequent guest members make special efforts to stay in hotels whose programs they belong to. Fewer than 20 percent frequently stay at a less convenient location, pay a higher room rate or make other special arrangements.

Use of Travel Agents For Hotels

Most business travelers who use hotels reserve their rooms in advance. Nearly one out of five (19 percent) used travel agencies to make these reservations in 1987, up from 16 percent in 1986.

U.S. travel agency hotel bookings have increased from $5.4 to $7.7 billion in the past two years, according to the Travel Weekly 1987 Harris Study. An estimated 25 percent of all U.S. hotel reservations are made by travel agencies.

About one-third (32 percent) of all business travelers used travel agents for their business trips in 1987. The use of travel agents increased from 26 percent of travelers in 1986.

Business travelers who use travel agents for their hotel reservations are most likely to be using airlines and rental cars. They are also likely to be frequent business travelers, to be spending more nights away and paying more for their hotel rooms.

Travel agents play an important role in helping their business clients select as well as book their hotels. Two-thirds of business travelers said they did not have a hotel in mind when they contacted their travel agents. Travel agents recommended hotels to 41 percent of their clients, gathered information for 35 percent and participated in the actual selection with 29 percent.

More than half (55 percent) of business travelers find their travel agents to be well informed about hotels. Two-thirds (64 percent) said their travel agents took special efforts to inform them about the locations of their hotels.

USE OF TRAVEL AGENTS

Travel agents are needed more than ever to deal with the complexities of making travel arrangements. There were 30,169 travel agencies in the U.S. at the end of 1987, an increase of 44 percent since 1982. The total revenue of U.S. travel agencies in 1987 was $64.2 billion, according to the Travel Weekly 1987 Harris Study. Half of this revenue or $32.1 billion was for business travel.

Revenues of U.S. Travel Agencies

(Billions)

	1985	1987	1985-87 Increase
Business Travel	$28.8	$32.1	+12%
Pleasure Travel	25.5	32.1	+26%
Total	$54.3	$64.2	+18%

Source: Travel Weekly 1987 Harris Study

The American Society of Travel Agents (ASTA) estimated that U.S. travel agencies book 70 percent of domestic and 80 percent of international airline reservations for U.S. travelers. They also account for 50 percent of rental car sales and 25 percent of domestic hotel reservations.

Business trips which involve travel agencies have increased 69 percent from 21.4 million in 1982 to 36.2 million in 1987, according to the US Travel Data Center's National Travel Survey. About one out of every four business trips involves the use of travel agencies.

1982-87 Business Trips Involving Travel Agencies

(Millions)

	1982	1983	1984	1985	1986	1987
Total Business Trips	101.9	103.6	114.5	133.3	140.0	157.5
Travel Agencies Involved	21.4	30.0	32.1	37.3	35.0	36.2
Percent of Total	21%	29%	28%	28%	25%	23%

Source: National Travel Survey

Business travelers who use travel agents are more upscale and are more likely to be professionals and managers in larger companies. They also travel more frequently, spend more nights away and frequently use all travel services (airlines, rental cars and hotels). Travel agency clients use travel agencies for nearly half (46 percent) of their business trips. Two-thirds also use them for their pleasure trips.

Nearly one-third (32 percent) of business travelers consulted travel agents in 1987. Only 17 percent of pleasure travel during 1987 involved travel agents.

Booking Reservations

The 32 percent or 11.3 million business travelers who used travel agencies in 1987 represented an increase from 26 percent or 9.1 million business travelers who used travel agencies in 1986. A smaller proportion, 16 percent, used travel agencies on an average trip in 1987.

Forty percent of airline business travelers and 30 percent of business car renters used travel agencies to make reservations for their most recent trip. Nearly one out of five (19 percent) business hotel guests used travel agencies to make hotel reservations.

Methods Used by Business Travelers For Booking Reservations on Most Recent Business Trip

	Airlines	Rental Cars	Hotels
Booked Direct	36%	39%	47%
Used a Travel Agent	40	30	19
Used a Corporate Travel Manager	13	13	12
Used Other Method	9	10	13
Did Not Make Reservations	2	8	9

Source: Survey of Business Travelers

Travel agents serve a greater function than simply making reservations. Half of airline business travelers and one-third of business car renters and business hotel guests report that their travel agents participated in the actual selection of the travel services that they booked.

The use of corporate travel managers has also increased in recent years. Twenty-four percent of business travelers used corporate travel managers in 1987 and they used them for two-thirds of their trips.

SEGMENTS OF BUSINESS TRAVELERS

There are 10 segments of business travelers which have distinct travel characteristics and are above average in their use of travel services. These segments include demographic groups (such as women business travelers), groups with similar travel characteristics (such as frequent business travelers) and groups that use travel services (such as airline business travelers). Although these segments have different characteristics, they are not mutually exclusive.

These segments of business travelers range in size from fewer than two million international business travelers to 26 million business hotel guests.

The selected business travel segments share several important qualities: they are expanding, they are valuable to travel suppliers and they can be identified and targeted by travel marketers. The segments of business travelers are:

* Women Business Travelers
* Business Travelers Age 35-44
* Business Travelers in Service Industries
* Frequent Business Travelers
* International Business Travelers
* Meeting Attendees
* Airline Business Travelers
* Business Car Renters
* Business Hotel Guests
* Travel Agency Business Clients

Women Business Travelers

There were 13.4 million women business travelers in the U.S. in 1987. Women were 38 percent of all business travelers in 1987 compared with 34 percent in 1985. They took a total of 47.2 million business trips in 1987 or an average of 3.5 trips per traveler.

Women business travelers will become an increasingly important part of the market as more women are employed and obtain jobs that require travel.

The demographics of women business travelers differ somewhat from those of men. Although paid less than men, women business travelers have similar educational and occupational levels as men. Women business travelers are much more likely to be in health, legal, personal and educational services than men.

Selected Demographics of Women and Men Business Travelers

	Women Business Travelers	Men Business Travelers
Household Income Less Than $30,000	44%	33%
College Graduate or Higher Education	41	45
Professional or Managerial	27	26
Clerical or Sales	19	13
Health, Legal, Personal and Educational Services	25	13
Two or More Wage Earners in Household	57	48

Source: Survey of Business Travelers

Women travel less frequently than men and are more likely to attend meetings, conventions or trade shows. They are also more likely to include vacation and stay in more expensive accommodations than men.

Travel Characteristics of Women and Men Business Travelers

	Women Business Travelers	Men Business Travelers
Average Number of Trips Per Year	3.5	5.1
Take One or Two Trips Per Year	63%	48%
First Visit to Place in Last 12 Months	51	46
Other Household Member on Trip	34	25
Attend a Meeting, Convention or Trade Show	50	38
Also a Vacation Trip	28	21
Use Own Car on Average Trip	50	46
Use an Airline on Average Trip	38	41
Use a Rental Car on Average Trip	14	16
Use a Hotel on Average Trip	72	73
Spend $85+ Per Night For Hotel	25	19
Used a Travel Agent in Past Year	28	34

Source: Survey of Business Travelers

Business Travelers Age 35-44

The impact of the "baby boomers" is being felt in business travel and will continue well into the 1990's. Americans between the ages of 35 to 44 are one of the fastest growing age segments of the population.

More than 30 percent of U.S. adults between the ages of 35 to 44 take business trips. They totaled 9.9 million and took 47 million business trips in 1987 compared with 38 million in 1986. This group comprises 28 percent of all business travelers.

Business travelers between the ages of 35 to 44 are distinguished from business travelers who are younger or older. They are more likely to be better educated and have higher level occupations and incomes.

Selected Demographics of Business Travelers by Age

	Age 18-34	Age 35-44	Age 45 or Older
College Graduate or More	42%	53%	37%
Household Income $40,000+	32	54	43
Median Household Income	$31,739	$42,105	$36,190
Professional or Managerial	23	30	28
Lower Level Technical or Managerial	30	32	21
Two or More Adults With Children	41	58	19
Two or More Adults in Household	74	79	75

Source: Survey of Business Travelers

Business travelers between the ages of 35 to 44 travel more frequently than their younger counterparts. They use all travel services (airlines, rental cars, hotels and travel agents) more than younger and older business travelers.

Travel Characteristics of Business Travelers by Age

	Age 18-34	Age 35-44	Age 45 or Older
Average Number of Trips Per Year	4.0	4.7	4.5
Take 10+ Trips Per Year	10%	14%	13%
Attend a Meeting, Convention or Trade Show	41	48	40
Use an Airline on Average Trip	39	42	38
Use a Rental Car on Average Trip	15	18	12
Use a Hotel on Average Trip	72	76	72
Used a Travel Agent in Past Year	27	38	34

Source: Survey of Business Travelers

Business Travelers in Service Industries

Services lead all segments of U.S. industries in growth. This growth has been reflected in business travel. Business travelers in finance, banking, insurance, real estate and business services comprise the largest and fastest growing group of business travelers. In 1987 they represented 21 percent of all U.S. business travelers and took 36.3 million business trips.

Business travelers in the service industries are better educated, have higher incomes and are more likely to be in professional or managerial occupations than other business travelers. A higher percent (42 percent) are self employed than the average.

Selected Demographics of Business Travelers in Service Industries

	Business Travelers in Service Industries	Total Business Travelers
College Graduate or More	51%	44%
Household Income $40,000+	45	42
Median Household Income	$38,261	$35,455
Professional or Managerial	39	27
Self Employed	42	30

Source: Survey of Business Travelers

Business travelers in service industries travel more frequently and often travel to sell a product or service or to offer professional advice. They also use travel services with greater frequency than the average business traveler.

Travel Characteristics of Business Travelers in Service Industries

	Business Travelers in Service Industries	Total Business Travelers
Average Number of Trips Per Year	4.9	4.5
Take 10+ Trips Per Year	14%	12%
Sell a Product or Service	13	11
Consult or Offer Professional Advice	18	13
Use an Airline on Average Trip	45	40
Use a Rental Car on Average Trip	20	15
Use a Hotel on Average Trip	75	73
Spend $85+ Per Night For Hotel	26	21
Used a Travel Agent in Past Year	33	32

Source: Survey of Business Travelers

Frequent Business Travelers

Frequent business travelers who take 10 or more trips per year represent only 12 percent of all business travelers. They numbered 4.3 million in 1987, up from 3.6 million in 1986.

Despite their small number, frequent business travelers are vitally important because they took 75.8 million or nearly half (48 percent) of all business trips in 1987.

Frequent business travelers take an average of 18 business trips per year. They spend an average of 68 nights or more than two months away from home on business trips each year.

Frequent business travelers have a more distinctive demographic profile than any other segment of business travelers. More than three-fourths are men and one-third are between the ages of 35 to 44. They have above average incomes and occupations and many (36 percent) are self employed.

Selected Demographics of Frequent Business Travelers

	Frequent Business Travelers	Total Business Travelers
Men	77%	62%
Age 35-44	32	28
Age 45 or Older	18	15
College Graduate or More	54	44
Household Income $50,000+	49	37
Median Household Income	$48,750	$35,455
Professional or Managerial	34	27
Self Employed	36	30

Source: Survey of Business Travelers

Frequent business travelers spend fewer nights away on their trips than other business travelers. They are more likely to be in sales and consulting jobs which require frequent travel. Their trips are much less likely to include vacation time. Frequent business travelers constitute an important market for airlines, rental cars and hotels.

Travel Characteristics of Frequent Business Travelers

	Frequent Business Travelers	Total Business Travelers
Spend Fewer Than Two Nights Away	30%	23%
Visited Place Before	71	52
Traveled Outside U.S. in Past Year	20	9
Sell a Product or Service	21	11
Attend a Meeting, Convention or Trade Show	28	43
Consult or Offer Professional Advice	20	13
Also a Vacation Trip	13	24
Use Own Car on Average Trip	44	48
Use an Airline on Average Trip	46	40
Belong to a Frequent Flyer Program	43	17
Use a Rental Car on Average Trip	21	15
Belong to a Frequent Rental Car Program	20	7
Use a Hotel on Average Trip	75	73
Spend $100+ Per Night For Hotel	17	13
Belong to a Frequent Hotel Guest Program	24	7
Used a Travel Agent in Past Year	35	32

Source: Survey of Business Travelers

International Business Travelers

During 1987 some 3.2 million Americans took business trips outside the U.S. Five percent of all U.S. business travelers or 1.6 million traveled abroad on an average trip.

International business travelers are better educated and have above average incomes and occupations. They are concentrated in large companies and in both the service and manufacturing industries. More than half (55%) live on the East or West coasts.

Selected Demographics of International Business Travelers

	International Business Travelers	Total Business Travelers
College Graduate or More	54%	44%
Household Income $40,000+	56	42
Professional or Managerial	37	27
Self Employed	36	30
Finance, Booking, Insurance, Real Estate and Business Services	26	21
Manufacturing and High Technology	18	12
Company With 1,000+ Employees	20	12
Live in East*	30	19
Live in West**	25	22

* New England and Mid-Atlantic regions

** Mountain and Pacific regions

Source: Survey of Business Travelers

International business trips are longer and often to a destination the traveler has not visited before. The trips are frequently taken for consulting and company management, but also offer opportunities for vacations. International business travelers depend heavily on travel services, particularly those of travel agents.

Travel Characteristics of International Business Travelers

	International Business Travelers	Total Business Travelers
Average Nights Away	7.5	4.0
Spend 4+ Nights Away	74%	36%
Take 6+ Trips Per Year	29	20
Visit Two or More Places	37	14
First Visit to Place in Last 12 Months	62	48
Consult or Offer Professional Advice	18	13
Involved in Management of Company	10	7
Also a Vacation Trip	40	24
Use an Airline on Average Trip	64	40
Use a Rental Car on Average Trip	17	15
Use a Hotel on Average Trip	84	73
Spend $100+ Per Night For Hotel	24	13
Used a Travel Agent in Past Year	53	32

Source: Survey of Business Travelers

Meeting Attendees

Off-premise meetings have experienced significant growth in recent years in numbers held, attendees and expenditures. More Americans take business trips to attend meetings, conventions or trade shows than for any other purpose. Some 41% of all business travelers or 14.5 million attended meetings on an average trip in 1987.

Meeting attendees are better educated and are more likely to work in health, legal, personal and educational services. They are also more likely to work in larger companies than other business travelers.

Selected Demographics of Meeting Attendees

	Meeting Attendees	Total Business Travelers
Men	55%	62%
Women	45	38
College Graduate or More	50	44
Health, Legal, Personal and Educational Services	25	18
Company With 500+ Employees	22	18

Source: Survey of Business Travelers

Meeting attendees travel less frequently than other business travelers. While on their trips, however, they spend more nights away, stay in one place and use a hotel.

Travel Characteristics of Meeting Attendees

	Meeting Attendees	Total Business Travelers
Take One or Two Trips Per Year	62%	54%
Spend 2 or 3 Nights Away	46	39
Visit One Place	82	75
First Visit to Place in Last 12 Months	56	48
Also a Vacation Trip	22	24
Use an Airline on Average Trip	42	40
Use a Hotel on Average Trip	83	73

Source: Survey of Business Travelers

Airline Business Travelers

Airline travel reached a record high in 1987. Airline business trips totaled 67.7 million, up 90 percent in the past five years. Forty-three percent of all business trips involve the use of airlines.

Four out of 10 or 14.8 million business travelers used airlines on an average business trip in 1987. A larger proportion, 62 percent, used an airline at least once during the year. Airline business travelers are somewhat more upscale than other business travelers.

Selected Demographics of Airline Business Travelers

	Airline Business Travelers	Total Business Travelers
College Graduate or More	55%	44%
Household Income $50,000+	36	27
Median Household Income	$41,765	$35,455
Manufacturing and High Technology	17	12

Source: Survey of Business Travelers

Airline business travelers travel more frequently and spend more nights away than other business travelers. One out of four (23 percent) uses a rental car and 80 percent stay in hotels on an average business trip.

Travel Characteristics of Airline Business Travelers

	Airline Business Travelers	Total Business Travelers
Average Number of Trips Per Year	4.6	4.5
Take 10+ Trips Per Year	14%	12%
Spend 4+ Nights Away	48	36
First Visit to Place in Last 12 Months	55	48
Destination in West*	28	24
Belong to a Frequent Flyer Program	27	17
Use a Rental Car on Average Trip	23	15
Use a Hotel on Average Trip	80	73

* Mountain and Pacific regions

Source: Survey of Business Travelers

Business Car Renters

Some 5.2 million or 15 percent of all business travelers used a rental car on an average business trip in 1987. Four out of 10 business travelers used rental cars during the year.

More than two-thirds of business car renters are between the ages of 25 to 44. More than half are college graduates with household incomes in excess of $40,000. Business car renters are concentrated in professional/managerial and lower level technical/managerial positions in both service and manufacturing industries. There is a higher concentration of business car renters in the East and West than in other areas of the country.

Selected Demographics of Business Car Renters

	Business Car Renters	Total Business Travelers
Age 25-44	68%	60%
College Graduate or More	59	44
Household Income $40,000+	55	42
Professional or Managerial	31	27
Lower Level Technical or Managerial	34	28
Finance, Banking, Insurance, Real Estate and Business Services	26	21
Manufacturing and High Technology	19	12
Live in East*	23	19
Live in West**	28	22

* New England and Mid-Atlantic regions

** Mountain and Pacific regions

Source: Survey of Business Travelers

Business car renters travel more frequently, spend more nights away and visit more places than other business travelers. Nearly two-thirds use airlines on their trips and nearly 9 out of 10 stay in a hotel.

Travel Characteristics of Business Car Renters

	Business Car Renters	Total Business Travelers
Average Number of Trips Per Year	5.8	4.5
Take 10+ Trips Per Year	18%	12%
Spend 4+ Nights Away	49	36
Average Nights Away	4.6	4.0
Visit Two or More Places	19	14
Consult or Offer Professional Advice	21	13
Use an Airline on Average Trip	64	40
Belong to a Frequent Rental Car Program	14	7
Use a Hotel on Average Trip	87	73
Average Nights Spent in Hotel	4.5	4.0
Used a Travel Agent in Past Year	45	32

Source: Survey of Business Travelers

Business Hotel Guests

Business travelers' use of hotels has increased substantially in the past several years. More than 111 million or 71 percent of all business trips in 1987 involved the use of hotels.

Twenty-six million or 73 percent of all business travelers stayed in hotels on an average business trip in 1987. Eight out of 10 stayed in hotels during the year.

The demographics of business hotel guests resemble the average of all business travelers because such a large proportion of business travelers use hotels on their trips.

Selected Demographics of Business Hotel Guests

	Business Hotel Guests	Total Business Travelers
Men	62%	62%
Women	38	38
Age 18-34	43	43
Age 35-44	28	27
Age 45 or Older	29	29
College or More	46	44
Professional or Managerial	28	27
Household Income $40,000+	45	42
Median Household Income	$37,727	$35,455

Source: Survey of Business Travelers

Business travelers who use hotels are more likely to be first time visitors to their destinations, to be attending a meeting and to be using an airline or rental car.

Travel Characteristics of Business Hotel Guests

	Business Hotel Guests	Total Business Travelers
Average Number of Trips Per Year	4.4	4.5
Average Nights Away	3.8	4.0
Visit One Place	81%	75%
First Visit to Place in Last 12 Months	55	48
Attend a Meeting, Convention or Trade Show	47	43
Use Own Car on Average Trip	43	48
Use an Airline on Average Trip	43	40
Use a Rental Car on Average Trip	18	15
Belong to a Frequent Hotel Guest Program	9	7
Used a Travel Agent in Past Year	36	32

Source: Survey of Business Travelers

Travel Agency Business Clients

Business travelers who use travel agencies to make their travel arrangements are a growing segment of the business travel market.

Some 5.6 million or 16 percent of all business travelers used travel agencies for an average business trip in 1987. Nearly one-third (32 percent) or 11.3 million business travelers used travel agencies during the year.

Travel agency business clients are more upscale than other business travelers. They are also more likely to work for larger companies and live in the East.

Selected Demographics of Travel Agency Business Clients

	Travel Agency Business Clients	Total Business Travelers
College Graduate or More	59%	44%
Household Income $40,000+	55	42
Median Household Income	$42,500	$35,455
Professional or Managerial	35	27
Company With 1,000+ Employees	17	12
Live in East*	24	19

* New England and Mid-Atlantic regions

Source: Survey of Business Travelers

Business travelers who use the services of travel agencies travel more frequently, spend more nights away and are more likely to be visiting a new destination than other business travelers. They are also twice as likely to be using an airline or rental car and are willing to pay more for their hotel rooms than other business travelers.

Travel Characteristics of Travel Agency Business Clients

	Travel Agency Business Clients	Total Business Travelers
Average Number of Trips Per Year	6.5	4.5
Take 10+ Trips Per Year	14%	12%
Spend 4+ Nights Away	46	36
Visit Two or More Places	19	14
First Visit to Place in Last 12 Months	56	48
Use an Airline on Average Trip	80	40
Use a Rental Car on Average Trip	31	15
Use a Hotel on Average Trip	84	73
Stay 5+ Nights in Hotel	25	17
Average Nights Spent in Hotel	4.4	4.0
Spend $100+ Per Night For Hotel	31	13

Source: Survey of Business Travelers

APPENDIX

METHODOLOGY

The 1987 Survey of Business Travelers was based on data collected each month from February 1987 to January 1988 by telephone with a national probability sample of 1,500 adults representing the total adult, civilian, non-institutional population of the contiguous United States.

This survey was conducted in conjunction with the US Travel Data Center's National Travel Survey. It was conducted for the US Travel Data Center by RL Associates of Princeton, New Jersey, using its national telephone probability sample.

The sample design was a two-stage, statified, internally replicated national probability sample. The first stage of stratification was the nine Census regions in the contiguous United States, omitting Hawaii and Alaska, as defined by the U.S. Bureau of the Census. The second stage was Areas of Dominant Influence (ADIs) as defined by Arbitron within each of the Census regions.

A new sample was drawn each month. However, because the primary and secondary sampling units were the same each month, the successive samples were "matched," thus improving the trendability of the data.

Respondents were asked if they had traveled 100 miles or more one way for business or convention purposes in the past 12 months. Those identified as business travelers were asked to report the number of business trips taken in the past 12 months and were asked a number of questions concerning their most recent business trip. Demographic information was collected from all identified business travelers.

This methodology produced data on approximately 300 business travelers per month or 3,632 over the 12 months February 1987 to January 1988. The responses of these business travelers form the basis of this report.

CENSUS REGIONS

New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Mid-Atlantic	New Jersey, New York, Pennsylvania
South Atlantic	Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
East South Central	Alabama, Kentucky, Mississippi, Tennessee
West South Central	Arkansas, Louisiana, Oklahoma, Texas
East North Central	Indiana, Illinois, Michigan, Ohio, Wisconsin
West North Central	Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
Mountain	Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
Pacific	California, Oregon, Washington, (Alaska and Hawaii as destinations)

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